BUILD FOR LIFE

SUSTAINABILITY REPORT 2020-2021

INSEE CEMENT

Since evolution, humans have progressed across the ages developing their lives and livelihoods, surviving hardships while revelling in good fortunes. While humans evolved to reflect changing lifestyles, the essence of man's past lifestyles was shaped according to the eras in which he lived.

Remarkably, the history of a man building houses is marked by various patterns and trends. Deviating from natural habitats to constructing their own dwellings - from a wattle and daub house, to using eco-friendly cement for building high-rise modern cities, man has taken many diverse construction pathways embracing different dimensions of patterns including colours, shapes which are parallel to our lifestyles.

Drawing inspiration from the natural habitat of 'Ran Kumbula' - Sri Lankan Mud Dauber Wasp, which builds its nest adapting to the changes in its environment; in Sri Lanka, construction coexists with its rich heritage and lush nature. Likewise, today we construct our own dwellings with technology to suit modern lifestyles.

As privileged stakeholders, INSEE Cement Sri Lanka is proud to be part of these elements of our progressive life patterns by living our promise to 'Build for Life'

පරිණාමයේ සිට විනිසුන් තම ජීවිත සහ ජීවනෝපායන් වැඩි දියුණු කරගනිමින් විවිධ දුෂ්කරතාවයන් සහිත යුග පසු කරමින් ප්‍රගතිමත් ජීවිත සොයා ගෙන යුග ගණනාවක් පුරා ඉදිරියට ගමන් කර ඇත. ඒනිස් වන ජීවන රටාවන් විනිස් පරිණාමයන් පිළිබිඹු කරන අතර විනිසාගේ අතීත ජීවන රටාව බහු ජීවත් වූ සුගතලට අනුව හැඩ ගැසී ඇත.

විනිසාගේ නිවාස තැනීමේ ඉතිහාසය විවිධ රටා සහ ප්‍රවණතා වශයින් කැපී පෙනෙන ලෙස සලකුණු වී ඇත. ස්වභාවික වාසස්ථාන වලින් ඉවතට තමන්ගේම වාසස්ථාන ගොඩනගා ගැනීමට පටන් ගත දා සිට විවිධ ඛණ්ඩියකින් නිම වූ නිවසක සිට පරිසර හිතකාමී සිමෙන්ති සහිතයෙන් ඉදි කරනලද නවීන නගර නිර්මාණයන් දක්වා වූ ජීවන රටාවට විවිධ වර්ණ හැඩතල ඇතුළු විවිධ මානයන් රාශියක් එකතු විය.

ඉදිකිරීම් කාර්යය සඩිඛන්දයෙන් ශ්‍රී ලංකාවේ පොහොසත් උරුමය සම්භාවිතාවය සමඟ සහජීවනය දක්වයි. පරිසරයේ සිදු වන සියලු වෙනස්කම් වලට අවනතව තම වාසස්ථාන ඉදිකරන රන් කුඹලා අනුව යමින් අපේ ජීවන රටාවට ගැලපෙන නිවාස තාක්ෂණය අප සතුව තිබේ. ජීවිතය ගොඩනගමු යන සංකල්පය පෙරදැරිව ශ්‍රී ලාංකීය ජනතාවගේ ගෞරවාන්විත පාර්ශ්ව කරුවන් ලෙස ඔවුන්ගේ ජීවන රටාව සමඟ එක්වන්නට ලැබීම INSEE සිමෙන්ති ලද භාග්‍යයකි.

ABOUT THE REPORT

SCOPE AND BOUNDARY

This Sustainability Report is published by Siam City Cement (Lanka) Limited (INSEE), the only fully integrated cement manufacturer in Sri Lanka. This is the 3rd Sustainability Report published by INSEE since the Company published its first-ever Sustainability Report in 2018.

While the Company normally publishes its Sustainability Report annually, the company Chairman/ CEO after discussions with the Executive Committee decided to publish a combined report covering the years 2020 and 2021. As such, the current publication captures the progress made by the Company in fulfilling its economic, environmental, and social responsibilities for the period 01st January 2020 to 31st December 2021.

All previous Sustainability Reports including the most recent report for the year 2019 can be viewed or downloaded from the Company's corporate website – www.siamcitycement.lk There are no restatements pertaining to these previous reports.

REPORTING FRAMEWORK

This Sustainability Report has been prepared in accordance with the GRI Standards – Core option, issued by the internationally recognized Global Reporting Initiative (GRI). The GRI principles of materiality, stakeholder inclusiveness, sustainability context, and completeness have been considered in the determination of the most important sustainability themes for the report. A review of these principles conducted in end-December 2021 has revealed that there are no changes in the list of material topics or topic boundaries compared to those captured in the Company's 2019 Sustainability Report.

INSEE has also voluntarily chosen to report on its contribution to the UN Sustainable Development Goals (SDG's)

The target audience for the report includes the company's customers, employees, investors, business partners, regulators, and other interested parties

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REPORTING ENTITY

Siam City Cement (Lanka) Limited ("Company") is a public limited liability company incorporated and located in Sri Lanka. The registered office of the Company and the Company's business headquarters was changed in 2020 from No. 413, R. A. De Mel Mawatha, Colombo 3 to its present location at No. Level 25, Access Towers II, 278/4 Union Place, Colombo 02.

The Report includes where appropriate, the activities of INSEE Ecocycle Lanka (Private) Limited. INSEE Ecocycle (Pvt) Ltd is a 100% fully owned subsidiary of Mahaweli Marine Cement (Private) Limited, wherein INSEE owns a 90% stake and exercises full operational control of the Company.

It should however be noted that due to the non-availability of the required information or data, there are some limitations in reporting on the activities of subsidiaries.

IMMEDIATE AND ULTIMATE PARENT ENTITY

The company's ultimate parent undertaking and controlling entity is Siam City Cement Public Company Limited, incorporated in Thailand.

ASSURANCE

The principle of combined assurance has been adopted to provide assurance regarding the content of this Sustainability Report. Accordingly, inputs from both internal and external sources have been used to review and verify the accuracy and authenticity of the information and data included in this report.

Internally, assurances are provided by the Company's Board of Directors, Management, the Internal Audit, and the independent Compliance function, while M/S Ernst & Young, Chartered Accountants were appointed to perform an independent verification to assure the accuracy of GRI based disclosures and to determine the completeness vis-a-vis the GRI Standards. Please refer to page 92 for details of the Independent Assurance Report

THE ROLE AND RESPONSIBILITY OF REPORTING

The Sustainability Working Group acknowledges its ultimate responsibility for the collection, preparation, and presentation of the information as well as for ensuring the completeness and correctness of all data and information presented in this Sustainability Report 2020-2021.

The draft sustainability report has been reviewed by the Executive Committee (EXCO) followed by a rigorous review by the Chief Executive Officer and Chairman of the Board of Directors, for approval.

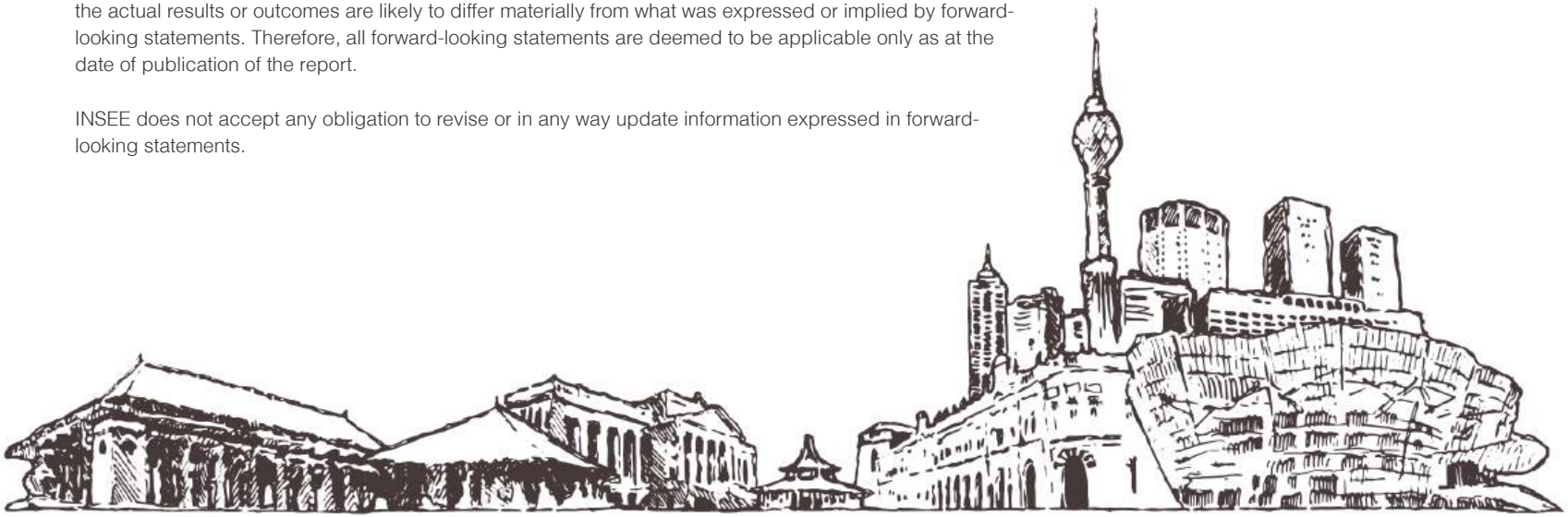
FEEDBACK AND QUERIES

While taking this opportunity to appreciate the feedback received regarding INSEE Cement Sri Lanka's 2020-2021 Sustainability Report, readers are urged to direct their insights on the latest Report to inseecement.communications@siamcitycement.com

DISCLAIMER OF LIABILITY

This Report contains certain forward-looking statements regarding INSEE's results, operations, and business activities. These statements by their very nature, involve risk and uncertainty as they relate to and depend on events that may or may not occur in the future. Therefore, it can be reasonably assumed that the actual results or outcomes are likely to differ materially from what was expressed or implied by forward-looking statements. Therefore, all forward-looking statements are deemed to be applicable only as at the date of publication of the report.

INSEE does not accept any obligation to revise or in any way update information expressed in forward-looking statements.



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FY 2020-21 Sustainability Report
INSEE Cement Sri Lanka

INTRODUCTION

OUR PLEDGE TO 'BUILD FOR LIFE'

SUSTAINABLE PROFIT

UPLIFTING PEOPLE'S LIVES

ENVIRONMENTAL CONSERVATION

APPENDIX

LETTER FROM CHAIRMAN/ CEO

Welcome to the third Sustainability Report published by Siam City Cement (Lanka) Limited (INSEE Cement Sri Lanka). While we, like everyone else around the world, have encountered numerous new challenges in connection with the COVID-19 pandemic in the recent past, one thing has remained certain: INSEE's commitment to sustainability.

Our understanding of sustainability is simple. We believe that our success as an organization cannot be measured purely on profit alone, but rather on a broader scale that factors in our social and environmental performance as well. Having understood the importance of measuring our success against this triple-bottom-line principle, INSEE has over the years made a concerted effort to embed sustainability into every aspect of its business. We have adopted a holistic approach to enhance the value created for our stakeholders, as well as for our business whilst ensuring the reduction of our environmental footprint. This has now become a way of life that defines the true spirit of our organization and reflects our commitment to - 'Build for Life.' To do justice to this ethos, we aim to lead by example in driving innovation across the sector and guiding the local cement industry toward a new era of sustainable business.

From an economic perspective, the year 2020 was a challenging one for INSEE due to the unexpected nature of the pandemic. However, rather than succumbing to distress, we sought to frame our own narrative - one that showcases INSEE as a pillar of strength for Sri Lanka and its people. Our priorities remained unchanged, and we worked tirelessly to ensure our products reached those who needed them. We expedited the resumption of normal production activities after the government gave the green light for essential services to resume operations even amidst the initial lockdown in March 2021. Moving quickly and without hesitation, we were able to reopen our PCW plant in mid-April 2020 and continue operating at full capacity for the remainder of 2020. Admittedly 2021 was infinitely more challenging. On top of the pandemic-related challenges, severe shortages of cement in the domestic market began to have a crippling effect on the Country's construction sector. The artificial scarcity was first created by local cement importers declining to release their stocks to the market on the back of import restrictions and continuation of price control measures despite heavy lobbying by the industry. This was only further exacerbated by the ongoing disruption to global supply chains resulting in cement imports to Sri Lanka drying up. Sadly, the far-reaching impact of these issues is evident even today, as shortages continue despite the government ending the controlled price regime in 2021. Despite all that was going on around us, we at INSEE remained firm in our endeavor to provide an uninterrupted supply of cement to ensure the Sri Lankan construction industry remains on track to achieve its post-COVID recovery objectives. We stepped up to meet the growing demand of the local market by increasing our reliability and improving operations at our plants on par with globally benchmarked standards. We expanded the scope of our preventive maintenance program to avoid breakdowns

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or failures that could disrupt our operations and strengthened our safety systems and related due diligence processes to address potential occupational hazards that could lead to ill health and absenteeism among our teams. Similarly, we implemented all recommended COVID-19 safety protocols to create an effective environment in which our people could work safely. Meanwhile, to support full production capacity and increase cement supply across Sri Lanka, INSEE's logistics operation was further expanded with the addition of two more vessels to import cement to bridge the demand supply gap. To complement these efforts, the express logistics network was also further strengthened with the aim of reducing the plant-to-market time from the current 01 days to a mere 04 hours. However, by far the most notable development in these past two years was the launch of INSEE SANSTHA PORTLAND COMPOSITE CEMENT. The result of years of extensive research by our very own i2i Innovation Center - the in-house hub for excellence in research and innovation, the groundbreaking new product is developed using INSEE's trademarked SmartActTM Complex Organo-Mineral Technology under the newly established Sri Lanka Standard SLS 1697:2021 Specification for Portland-Composite Cement (PCC). Manufactured using a combination of fly ash and slag, INSEE SANSTHA PORTLAND COMPOSITE CEMENT has a significantly lower clinker factor compared to Ordinary Portland Cement, which rightfully places it as the "greenest" cement currently available in the Sri Lankan market. Aside from its eco-friendly profile, INSEE SANSTHA PORTLAND COMPOSITE CEMENT is also described as the first-ever sustainable cement to be introduced to the Sri Lankan market, given its optimum particle size distribution and high packing density that makes it an ideal mix to reinforce the strength and durability of concrete structures.

As Sri Lanka's only fully integrated cement manufacturer, we have always considered it our fundamental duty to fuel the progress of the Country's construction sector through the assurance of an abundant supply of top-quality cementitious materials. In this regard, INSEE announced a one million ton per annum grinding capacity expansion through a state-of-the-art investment at its Ruhunu Cement Works (RCW) plant premises in Galle. The investment proposal was presented and approved by the Company's Board of Directors, followed by the official announcement by Siam City Cement Group Chief Executive Officer Aidan Lynam during his visit to Sri Lanka in December 2021. The USD. 55 Million investment will be another significant milestone for us as an organization as it will also most certainly reaffirm INSEE as the undisputed leader in the local cement industry.

In parallel, we accelerated our innovation strategies across the organization and made some notable strides in our effort to increase the volume of alternative clean energy in the overall organization-wide energy mix. In 2020 we expanded the INSEE Ecocycle operation which manages the alternative energy generation process through its waste co-processing technology. The INSEE Ecocycle Pre-processing and collection facility at the Katunayake EPZ was expanded with a new state-of-the-art Resource Recovery Centre being set up to offer end-to-end solutions to support the systematic collection of FMCG and post-consumer waste with the aim of transforming such industrial/commercial waste into alternative energy as well other valuable resources through recycling/ upcycling, etc. Our first partnership under this initiative was with local FMCG giant, Unilever Sri Lanka, where INSEE Ecocycle has committed to supporting Unilever to achieve its target of reducing the use of virgin plastic by 50% by 2025. On a related note, we also invested Rs. 126 million to commission the Pyrolysis technology at the INSEE Ecocycle co-processing plant located at the PCW. This new Pyrolysis technology is a dedicated solution for the management of rubber waste, particularly used tires.

While developing and strengthening our business model, we stayed firmly aligned to our core belief in building for life which dictates that we embrace our responsibility to uplift communities across Sri Lanka. With the COVID-19 pandemic in these last two years bringing untold hardship for many communities around the Country, INSEE's community initiatives for 2020 and 2021 were primarily directed toward providing support where it was needed the most. Spending a collective total of Rs. 40 Million for these two years we presented COVID-19 equipment to state hospitals Country-wide and distributed COVID safety gear to essential service personnel who were mandated to work throughout the restrictions. We also donated over 200 bags of cement for the construction of emergency COVID care centers by the tri-forces and other state authorities. Equally importantly we continued with our environmental commitments. Our flagship environmental initiatives - the animal rescue program and the assisted regeneration program, both aimed at preserving biodiversity and ecosystems around INSEE's quarry site in Aruwakkalu, continued without interruption in 2020 and 2021. Other long-term projects that INSEE has undertaken over the years such as the Mangrove Restoration project and the Coral Reef Restoration project, also remain ongoing.

We believe our holistic approach to business and our commitment to sustainability are the fundamental reasons why INSEE continues to be recognized as Sri Lanka's No. 1 homebuilding and professional segment cement brand. Through our absolute commitment to quality, consistency, and island-wide availability, INSEE has earned the respect of all stakeholders

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in the construction sector. Standing testament to this is INSEE's 40% market share in the B2B project segment.

Moreover, seeing as two out of three homes in Sri Lanka are built using INSEE products it is obvious that INSEE products have gained the trust of millions of individual home builders. These past two years have provided further validation of this fact as we saw consumers gravitate towards the brands they have known and loved over the years – brands like INSEE Sanstha, that have delivered consistently in terms of quality to meet rapidly changing consumer expectations. In further attestation of the public trust in our brand and our Company, INSEE was ranked amongst Sri Lanka's Most Respected Entities 2021 by LMD magazine, one of the most prestigious accolades within Sri Lanka's corporate sector. Simply, INSEE Sanstha was awarded the "most popular brand" in the construction industry for the 11th consecutive year in 2021.

We are both proud and humbled by these achievements.

MOVING AHEAD

As a company, INSEE understands the greater role it must play in the nation's progress. This principle is what underpins INSEE's vision to be sustainable on all fronts; economic, social, and environmental.

As we continue to build on the good work done over the years, we will move ahead by seeking to transform every aspect of the business to ensure we become sustainable to the core. Aligning with our Group Sustainable Development Ambition 2030, we will focus on three pillars (climate & energy, circular economy and biodiversity & water) and cross-cutting themes (two interconnecting themes (Occupational Health & Safety, Community & Stakeholder engagement as well as human rights respect) to project INSEE as one of Sri Lanka's foremost sustainability advocates.

While we are certain that further refinement of our strategies will be necessary to address social and environmental challenges and the opportunities that may arise in time to come, we remain fully committed to invest in research and innovation as well as promote collaboration among stakeholders in order to responsibly steer the local construction sector towards sustainable construction products, solutions, processes and practices in the years ahead.

THILANKA SILVA
CHIEF PEOPLE OFFICER

SEREFIN BUGEJA
MANUFACTURING DIRECTOR

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EXECUTIVE COMMITTEE OF SIAM CITY CEMENT (LANKA) LIMITED OR INSEE CEMENT SRI LANKA

SANJEEWA CHULAKUMARA
DIRECTOR INSEE ECOCYCLE LANKA LIMITED

WASANTHA NANDASIRI
CHIEF FINANCIAL OFFICER

NANDANA EKANAYAKE
CHAIRMAN / CHIEF EXECUTIVE OFFICER

JAN KUNIGK
EXECUTIVE VICE PRESIDENT – SALES, MARKETING & INNOVATION

CHANDANA WIJAYANAMA
ORGANIZATION & HUMAN RESOURCE DIRECTOR

BUSINESS OVERVIEW

VISION, MISSION, COMMITMENTS

Vision

We will continue to build on our long heritage of shared loyalty, creating trusting relationships with our business partners, our people, and our community. We want to achieve the best value and a sustainable future for all our stakeholders.

Mission

Siam City Cement provides world class construction materials and services that are vital to economic growth in Thailand and the wider region. Combining sustainability and innovation, we strive for operational excellence and to exceed the expectations of all our stakeholders. Our reputation is built on outstanding performance in the quality of our products and customer service, the dedication and skill of our employees, our respect for the communities in which we operate, and our ambition to set the standards for the industry of tomorrow.

Commitments

Working as a team
One group, one vision, one team united in heart with our business partners for the good of all.

Challenging conventions
We are imaginative and always open to new ideas.

Doing what is right
Staying true to ourselves and each other, maintaining the highest standards of discipline and integrity in everything we say and do.

Caring about our future
We are committed to creating a positive future for generations to come. Caring for our people, our environment, our community, our nation.

ABOUT INSEE: LOCAL & REGIONAL

About the local company

INSEE Cement, Sri Lanka officially known as Siam City Cement (Lanka) Limited is the only fully integrated cement manufacturer in Sri Lanka. INSEE is part of the Siam City Cement Public Company Ltd (SCCC) Group based in Thailand. Founded in 1969 in Thailand, SCCC is a leading cement producer in Southeast Asia today. SCCC's cement manufacturing facility in Saraburi, Thailand is the largest cement production complex in the world, meeting the escalating construction needs of the region. Drawing from five decades of operational excellence, SCCC is powered by an exceptionally skilled 4000-member team engaged in manufacturing the globally demanded INSEE Cement brand. SCCC invested in Sri Lanka in 2016, marking the start of INSEE Cement in Sri Lanka (INSEE).

Drawing from SCCC's 50-year legacy of operational excellence, industry expertise, and accumulated knowledge, INSEE continues to evolve our long-established, award-winning homegrown brands such as INSEE SANSTHA and INSEE MAHAWELI MARINE into improved, more eco-friendly, and high-performance products that can meet the rapid pace of development and urbanization across Sri Lanka.

As an industry pioneer that has shaped Sri Lanka's skyline over the years, INSEE continues to steer the local building and construction industry toward high-performing, low-carbon, and future-ready constructions, introducing consistently high-quality blended cement products and sustainable building materials through the company's strong investment in innovation and R&D. INSEE is powered by a strong team of approximately 600 own employees and a workforce of over 1,000 third-party workers that are spread across a growing local ecosystem; this includes key manufacturing facilities in Puttalam and Galle, a cement terminal in Colombo, a ready-mix batching plant, warehouses, logistics centers, an island-wide dealer network and an industry-transforming innovation and collaboration space to keep Sri Lanka abreast with global industry advancements.

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VALUE CREATION

Our Approach to value creation is three-fold:

Resource Optimization	Sustainable Development	Knowledge Exchange
Mix Design Solutions	Low Carbon Footprint Solutions	Solutions through Collaboration
Application – Based Solutions	Low Social Cost Social	Solution through Knowledge Dissemination
Innovation in Resource Conservation	Green Mark Certification Solutions	Solution through Effective Engagement

GRI 102-4

CHALLENGING CONVENTION

RESOURCE OPTIMISATION

- Application-Based products and solutions
- Working towards sustainable and performance based standards
- Concrete mix design performance and cost optimisation
- High performance concrete
- Materials with new functionalities

SUSTAINABLE DEVELOPMENT

- Sustainable performing
- Blended cement with low carbon footpirnt
- Sustainable construction with low social cost
- Product and Solutions with green mark certification

KNOW HOW ELABORATION AND COLLABORATION

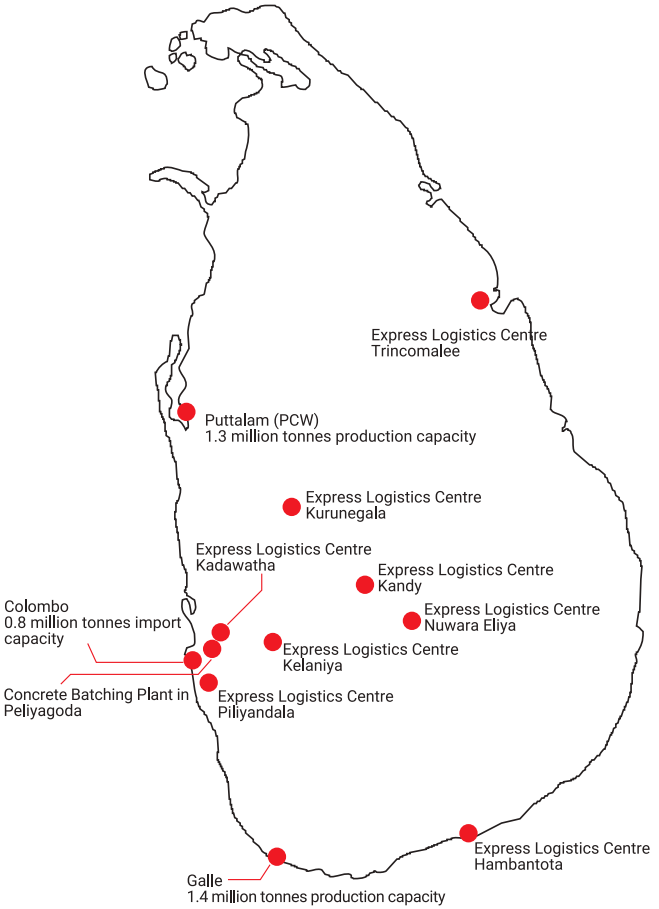
- INSEE network of regional competence centers
- Engage in effective collaboration with industry partners driven by openness, speed and connectivity
- Innovation and application testing facility
- Knowledge sharing with industry partners
- Continuous knowledge dissemination to all connected stakeholders
- Up-skilling through progressive public-private partnership/MoUs

INSEE'S FOOTPRINT IN SRI LANKA

- Ruhunu Cement Works (RCW) – Established in 1967, RCW is Sri Lanka's first cement grinding plant to have an annual production capacity in excess of 1 million tonnes.
- Puttalam Cement Works (PCW) – Commissioned in 1969, PCW is the largest cement grinding plant in the country with an annual production capacity of 1.3 million tonnes, while the PCW kiln has the capacity to produce over 0.9 million tonnes of clinker annually. Combined with the INSEE's Aruwakkalu Limestone Quarry, PCW is the only fully integrated cement manufacturing facility in Sri Lanka.
- Galle Cement Works (GCW) – Built in 1999, GCW is in Sri Lanka's history books as the first-ever LOESCHE Vertical Cement Grinding Plant to be commissioned in the Country.
- INSEE Colombo Terminal – established in 1980, the Colombo Port has the capacity to process 0.8 million tonnes of cement imports.
- Warehouse network in Colombo, Trincomalee, Kurunegala.
- INSEE Ready Mix Plant (RMX) – Commissioned in 2018, the RMX plant in Peliyagoda has an annual production capacity of 90,000 cubic meters.
- INSEE Innovation to Industry (i2i) Collaboration space in Peliyagoda established in 2019.
- INSEE Ecocycle Pre-Processing Facility in Katunayake established in 2019.
- INSEE Ecocycle Resource Recovery Center in Sapugaskanda commissioned in 2020.
- Express Logistics Center launched in 2019 at Kelaniya, Kadawatha, and Piliyandala.
- Colombo Head Office.

Global Standards and Best Practices			
	(PCW)	(GCW)	(RCW)
ISO 9001:2015 - Quality Management System -	☑	☑	☑
ISO 14001:2015 - Environmental Management System	☑	☑	☑
ISO OHSMS 45001:2018 - Occupational Health & Safety Management System	☑	☑	☑
ISO 17025 - Testing & Calibration	☑		☑
ISO 50001:2018 - Energy Management System	☑		

Other Important Information about INSEE		
	2020	2021
Annual Cement Production (tonnes)	1,988,171	2,928,023
Annual Turnover (Rs.)	LKR. 33,589 million	LKR. 44,404 million
NPAT (Rs.)	LKR. 3,023,721,649	LKR. 4,188,434,508
ROE (%)	25%	39%



GRI 102-6

OUR PRODUCT AND SERVICES SOLUTIONS PORTFOLIO

CEMENT PRODUCTS

Blended Cement for Sustainable Performing Concrete

Blended Hydraulic Cement for High Strength Concrete

Blended Hydraulic Cement for Mass Pouring and Highly Durable Concrete

Portland Composite Cement for Sustainable High Performing Concrete

Blended Hydraulic Cement for High Performance Concrete

Portland Composite Cement for Sustainable High Performing Concrete, Portland Limestone Cement for Highly Workable and Durable Concrete

INSEE SANSTHA PORTLAND COMPOSITE CEMENT LAUNCHED IN 2021

INSEE SANSTHA PORTLAND COMPOSITE CEMENT was launched in 2021 under the newly established Sri Lanka Standard SLS 1697:2021 Specification for Portland-Composite Cement (PCC). Developed using the latest SmartActTM Complex Organo-Mineral Technology, INSEE SANSTHA PORTLAND COMPOSITE CEMENT is produced as two variants; a ternary composition combining of either fly ash or slag with high-grade calcium carbonate.

● Blended Cement for Sustainable Performing Concrete ● Traditional Ordinary Portland Cement (OPC)

OTHER PRODUCTS AND SERVICES

INSEE Ready Mixed Concrete

CONWOOD by INSEE

GRI 102-2

OUR PLEDGE TO 'BUILD FOR LIFE'

Anchored to the SDG's, SCCC has set out its Sustainability Ambition via three pillars - climate & energy, circular economy, biodiversity and water, and two interconnecting themes - occupational health & safety and community & stakeholder engagement.

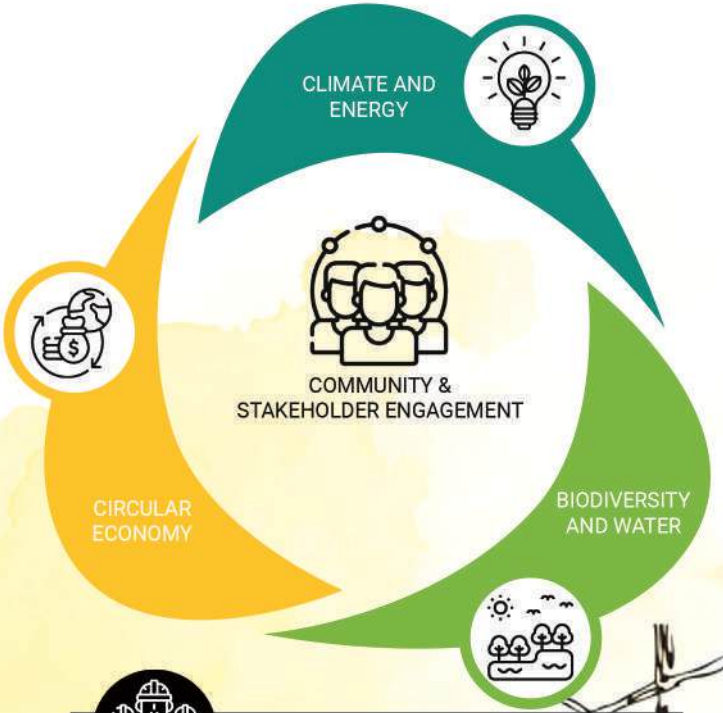
SUSTAINABILITY STRATEGY

MANAGEMENT APPROACH

As part of the Thai-based Siam City Cement Public Company Limited (SCCC) Group, INSEE's sustainability strategy is aligned to the United Nations Sustainable Development Goals (SDG's) in order to support the achievement of a group-wide, comprehensive and ambitious sustainability plan with key targets and mapped timelines by the year 2030.

Anchored to the SDG's, SCCC has set out its Group Sustainability Ambition via three fundamental pillars - Climate & Energy, Circular Economy, and Biodiversity & Water, with two interconnecting themes that form the baseline and core of the operations. They are, Occupational Health & Safety (OH&S) and Community & Stakeholder engagement. A Group-level Road map defining clear goals and country-specific targets serves as the overarching framework guiding all Group entities in their pursuit of actionable initiatives that would drive results across each pillar over the short, medium, and long term.

Underpinned by this broader foundational structure, SCCC Group has established its own Sustainability Ambition 2030 to reflect its commitment to making an impactful contribution toward the achievement of the SDG's. INSEE's approach is driven by an integrated management strategy supported by appropriate policy frameworks, rolling action plans, and strong overall governance.



GRI-102-12 GRI-102-16 GRI-103

INSEE'S SUSTAINABILITY AMBITION 2030

Sccc group's sustainability ambition 2030				
Pillar	Broader objectives	Key targets	INSEE Sri Lanka's progress in 2020 and 2021	INSEE Sri Lanka's goals for the future
Pillar 1: Climate & energy	Reduce scope 1 emissions	Lower clinker factor in cement products to 65% by 2030. To reduce the group CO_2 emissions to less than 530kg net CO_2/ton of cementitious materials.	Developed and launched INSEE sanstha portland composite cement as per the latest SLS/SLSI 1697 a new low carbon footprint superior blended cement product with a clinker factor below 70% corresponding to a reduction of 5% clinker factor	Diversifying the supply chain to gain access to technologically advanced raw materials.
	Reduce Scope 2 Emissions	Reduce the use of fossil fuels in the manufacturing process. Reduce Group's Specific Electricity Consumption by 10%. Ensure at least 20% of electricity consumption is generated from alternative energy sources.	Capacity expansion of the Ecocycle operation to increase alternative energy generated through co-processing.	Investing in renewable energy to minimize the dependency on the non-renewable.
			Investment in Pyrolysis technology to improve the efficacy of material decomposition process at Ecocycle operation.	
			Investment in a vertical rolling mill at GCW to manage energy consumption during production.	
	Note- The Global Cement and Concrete Association (GCCA) scope 1 and scope 2 reporting protocols have been used to set targets and monitor results on an annual basis going forward. Group and country specific climate and energy roadmap and immediate targets were set in 2021, based on the International Energy Agency (IEA) technology roadmap for low carbon transition in the cement industry.			
Pillar 2: Circular Economy	To increase circularity in wider economy by providing customers and partners with products that minimizes pollution and waste during and after construction.	Double the use of waste derived fuels and raw materials in clinker production from 0.5 million to >1 million tonnes. Increase the use of by-products (fly ash, slag) by around 65% to over 1.4 million tonnes per annum.	Expansion of the Ecocycle Resource Recovery Center to offer sustainable solutions to corporates and enable them to contribute towards the circular economy. Sustainable waste management agreement for island wide analytical laboratories.	Growing current Ecocycle services and waste management portfolio.

GRI-102-12 GRI-102-16

Pillar 3: Biodiversity & Water	Increase surface water ratio	Reduce water consumed in the production process by 20% and increase surface water collection to achieve more than 40% surface water usage by 2030.	Commissioned new infrastructure to strictly monitor water consumption.	Adoption of the GRI guidelines as a benchmark for measuring and monitoring of water consumption.
			Implemented water recycling initiatives.	Introduction of rainwater harvesting
	Have Net Positive Impact (NPI) on Biodiversity by 2030. Safeguard biodiversity hotspots in Sri Lanka.	Minimize the impact to ecosystems caused by the core business.	A total of 2065 individuals, belonging to 71 animal species were rescued from the Aruwakkalu quarry site and relocated under the ongoing Animal rescue program.	
			6.56 acres adjacent to the Aruwakkalu Quarry site were rehabilitated under the ongoing Quarry Restoration program.	
			Increased the capacity at the company-maintained plant nursery for endemic fauna and flora.	
		Support the protection of sensitive areas. Develop nature-climate or nature-based solutions such as artificial coral reefs for marine habitat, mangrove restoration, mangrove nurseries that also contributes to the Climate and Energy ambition.	Commenced a study to understand external threats such as poaching	
			reef was rehabilitated under the Coral Restoration program.	
			60,900 m^2 of degraded forest were rehabilitated under the Forest Restoration program	
	Note: In 2021, the group started working together with the subject matter experts to verify the baseline of the biodiversity value, using Global Cement and Concrete Association (GCCA) guidelines and tools. Regular water balances are also conducted using the GCCA guidelines and tools to improve water efficiencies in the operation. 			
Interconnecting Theme 1: Occupational Health and Safety	Safety leadership for the local cement industry. Zero harm to anyone has been and will always be the foundational and overriding safety objective of the SCCC group. 	Zero injury track record. Consequently, to reduce the targets for Lost Time Injury Rate by at least 10 per cent every year until zero harm is achieved including zero fatalities, and zero permanent disabilities across the group.	Implemented the Visible Felt Leadership program to drive safety stewardship across the manufacturing operations. Peer-to-peer auditing across the group companies to ensure positive reinforcement is practiced and consistent implementation of quality OH&S systems.	Expand the use of digital learning tools to ensure continuous learning on safety aspect. Integrate virtual reality-based simulator training on safety. Applying best practices that go beyond what is legally required.

GRI-102-12 GRI-102-16

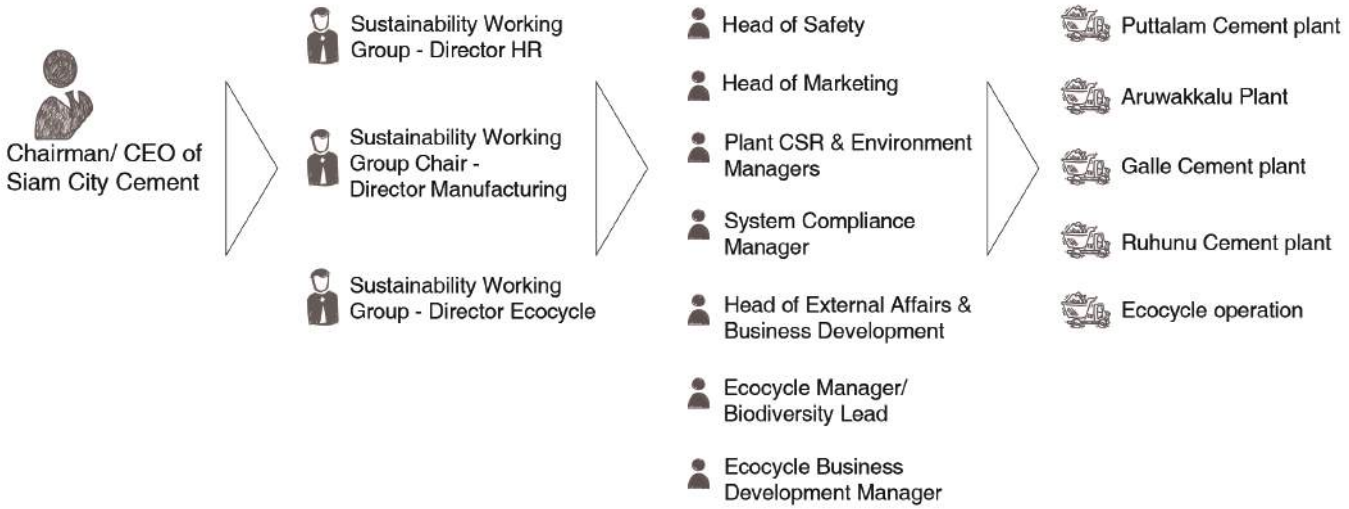
Theme 2: Community and Stakeholder engagement	Proactive continuous and ongoing engagement with stakeholders. Establishing plant-wise community and stakeholder engagement plan on a yearly basis.	The Group focus on community engagement is Quality Education	3 CAP (Community Advisory Panel) meetings were held in PCW and GCW. Yearly engagement activities were implemented on the community needs raised at the CAP meetings. Such initiatives include dry ration distribution, annual community medical camp, cement donation to build covid wards. Under Education focus – INSEE signed an MoU with NAITA to provide vocational education for unemployed youth in Puttalam and continued providing teaching resources for school children in communities	A comprehensive stakeholder impact assessment will be carried out in and around PCW, RCW and GCW cement plants to assess the priorities and needs of the key stakeholders.

Note: SCCC Group will confirm its commitment to Sustainability Ambition 2030 by joining the United Nations Global Compact (UNGC).

SUSTAINABILITY GOVERNANCE AND RISK MANAGEMENT FRAMEWORK

Sustainability Governance

The process of identifying sustainability issues occurs at a Group level by the SCCC Board. Assisted by the Group Sustainability Steering Committee, the Group Board looks at economic, social, and environmental sustainability in the context of the core business. Stemming from this broader direction, INSEE Sri Lanka's Sustainability Country Coordinator and Working Group monitors and manages ground-level issues in collaboration with the five pillars and theme leads appointed for each respective sustainability focus area. Meanwhile, the Sustainability Working Group, which consists of two senior corporate management members, is assigned to work with the individual pillar and theme leads and INSEE's Executive Committee to identify sustainability risks and opportunities that may become relevant from time to time. The Sustainability Working Group also must keep the INSEE Board apprised of any notable sustainability developments that are likely to impact the company's operations, now or in the future.



Duties and Responsibilities of the Sustainability Working Group

Led by INSEE's CEO, the Sustainability Working Group performs a dual role: firstly, acting as a liaison in the interpretation and execution of the Group sustainability direction, and secondly, providing oversight for the development of appropriate policy framework, setting of goals, targets, and action plans to address all Material Sustainability Topics relevant to INSEE.

As part of their oversight role, the Sustainability Working Group is required to work closely with INSEE's EXCO (consisting of 10 members representing the key business functions such as Human Resources, Manufacturing, Commercial, Finance, Procurement & Logistics, and Ecocycle) and the CEO to drive sustainability integration at all levels of the business - covering INSEE's entire value chain and business model. In addition, ground-level sustainability champions across all essential functions are tasked with monitoring and follow up to ensure sustainability initiatives deliver the desired results. These Sustainability Champions are called upon to present a formal report to the Sustainability Working Group every four weeks, outlining goals and targets.

The Sustainability Working Group meets every two months to review the progress of ongoing sustainability initiatives and identify any new risks or opportunities based on the reports provided by ground-level sustainability champions. These monthly meetings also serve as a forum for approving new policies, projects, and other programs to further INSEE's sustainability agenda.

The overall responsibility for preparing and publishing the Company's sustainability lies with the Sustainability Working Group. In this regard, the Group is held accountable for the accuracy, timeliness, and completeness of all content of the Sustainability Report, including information, data, and statistics.

GRI-102-18 GRI-102-19 GRI-102-20 GRI-102-29 GRI-102-30 GRI-102-31 GRI-102-32 GRI-102-33

Sustainability Risk Management Framework

INSEE's risk management framework aims to identify and effectively manage any and all risks that could potentially threaten the company's strategy or ability to continue operations. Therefore, identifying risks, understanding them, and assessing and systematically reducing them is considered a key priority in the company's day-to-day operations. The EXCO holds the overall responsibility for risk management at an organizational level. At the same time, all managers and employees are required to remain vigilant of potential risks and opportunities and carry out their duties in line with EXCO approved risk governance frameworks.

Sustainable Compliance & Ethics (Statutory and GRI)

Compliance and ethics form the foundation pillars supporting INSEE's risk management approach. The EXCO is the ultimate authority responsible for ensuring organizational compliance of all statutory socioeconomic and environmental regulations applicable to the business. INSEE remained fully compliant with the following regulations for the 2020 and 2021 reporting period;

- Companies Act No. 7 of 2007 (as amended).
- Inland Revenue Act No. 24 of 2017.
- Shop and Office Employees (Regulation of Employment and Remuneration) Act No. 19 of 1954 (as amended).
- Conditions of the Environmental Protection License issued by the Central Environmental Authority Puttalam Cement Plant, Ruhunu Cement Plant and Galle Cement Plant.
- Provincial Environmental License applicable for the Puttalam Plant .
- Marine Environmental Protection License for applicable the Ruhunu Cement Plant.
- Conditions of the Scheduled Waste Management License issued by the Central Environmental Authority and the Provincial Environmental Authority for Puttalam Cement Plant, Ruhunu Cement Plant and Galle Cement Plant.
- Labelling requirements stipulated by the Sri Lanka Standards Institute for the labelling of cement bags.
- Conditions of the Geological Survey and Mines Bureau license issued to the Aruwakkalu Quarry site.
- Conditions of the Marine Environment Protection Authority license issued to Ruhunu Cement Plant and Colombo Terminal.
- Conditions of the Atomic Energy Authority certification for detecting minerals in products and raw materials.

Efforts to maintain a 100 per cent compliance track record are further augmented by a framework of strict due diligence procedures, including random audits to verify if the conditions of licenses and permits are being fulfilled continuously. Such due diligence activities are carried out under the supervision of INSEE's Legal and Compliance teams. Going beyond compliance, INSEE has always strived to adopt global best practices for socioeconomic and environmental management in various aspects of its day-to-day operations. On this basis, the following best practices have been adopted;

- ISO 9001 Quality Management System Standard.
- ISO 14001 Environmental Management System Standard.
- ISO 45001 Occupational Health and Safety Management System Standard.
- ISO 50001 Energy Management System Standard.

Annual audits conducted by the Sri Lanka Standards Institute, the Central Environmental Authority, and the third-party certification bodies on ISO and other Standards audits also confirm overall compliance and adherence to best practices at an organizational level.

Meanwhile, recognizing that ethics go hand in hand with compliance and best practices, the INSEE Board sets the tone from the top in emulating a culture of proper conduct and business integrity. The company's stance on ethics and its integrity principles are formally cascaded down vis-a-vis the INSEE Code of Conduct which includes a special section entitled "integrity at work'. Containing detailed information to help employees identify and avoid corrupt business practices in their day-to-day work. The code applies to all employees and Directors of the company without exception. Any amendments to the code are communicated immediately to all directors and EXCO members. All directors and EXCO members are also required to formally renew their commitment to the code, annually. All full-time employees benefit from regular awareness sessions to disseminate information on the Code of Conduct standards, anti-corruption policies and procedures. Such sessions have been designed in the trilingual (English, Sinhalese and Tamil) format to enable employees in all business locations, including Puttalam, Galle and Ruhunu cement plants, to receive information in their preferred medium of instruction. In 2020 and 2021 all employees at PCW, RCW, GCW and the INSEE head office were provided specific anti-corruption training as part of the annual refresher sessions to disseminate information on the Code of Conduct.

GRI-102-15 GRI-102-16 GRI-205-2 GRI-307:103-1,103-2,103-3 GRI-419:103-1,103-2,103-3

In 2019, the Code of conduct was updated with special emphasis on strengthening INSEE's anti-corruption policy to reflect global best practices. Since then, an annual review of the Company's operations has been conducted to identify any incidents of corruption. Based on the reviews for 2020 and 2021, there were zero incidents relating to corruption. Further, there were ZERO incidents of corruption reported to the Company's legal department in 2020 and 2021. Accordingly, no employees were dismissed or disciplined on account of corruption-related matters.

Meanwhile, to ensure business partners also align with the INSEE's ethics framework, a special anti-bribery clause has been incorporated into all supplier contracts. In 2020 and 2021 there were ZERO instances when contracts with business partners were terminated or not renewed due to violations related to corruption.

All charitable donations are monitored collectively by the Chair of the Sustainability Working Group as well as the Head of Finance Department and further reviewed by INSEE's CEO on a monthly basis. Every month, the detailed list of sponsorships is thoroughly checked and approved by the CEO with the signature the Sustainability Working Group Chair. There were ZERO public legal cases regarding corruption filed against the Company or its employees during the reporting period.

	2020	2021
1.Total number and percentage of governance body members (such as the board of directors, management committee) that the organization's anti-corruption policies and procedures have been communicated to, broken down by region.	Colombo – 100% Galle & Puttalam – not applicable	Colombo – 100% Galle & Puttalam – not applicable
2. Total number and percentage of employees (excluding governance body members) that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region.	Colombo, Galle and Puttalam – 100%	Colombo, Galle and Puttalam – 100%
3. Total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region. Describe if the organization's anti-corruption policies and procedures have been communicated to any other persons or organizations.	all our contract contains an antibribery clause. No specific trainings were conducted	all our contract contains an antibribery clause. No specific trainings were conducted
4. Total number and percentage of employees (excluding governance body members) that have received training on anti-corruption, broken down by employee category and region.	Colombo, Galle and Puttalam – 100%	Colombo, Galle and Puttalam – 100%

INSEE has implemented a Whistleblower policy to facilitate anonymous reporting of alleged improper management, including serious breaches of occupational safety, concerns about environmental pollution, and any severe issues directed towards an employee, such as instances of discrimination, violence, or sexual assault or severe violation of Company policies.

In the interest of maintaining the independence of the Whistleblower procedure, INSEE has put in place a Speak Up Line managed by an independent Whistleblowing service provider operating out of the UK. Respondents can access the Speak Up Line through a dedicated call-in number or via email with all allegations first reviewed by an independent steering committee before being assigned to an impartial investigator for necessary action. Regular awareness workshops are conducted to inform employees and other stakeholders of the Whistleblower reporting process.

CHALLENGES AND OPPORTUNITIES

Typically, sustainability risks and opportunities are identified through changes in the immediate operating environment due to legal and compliance requirements and stakeholder interactions. The PEST analysis below depicts some of the key risks and opportunities relevant to INSEE's business in 2020 and 2021 and the company's response to these.

CHALLENGES AND OPPORTUNITIES	
POLITICAL	Legal and regulatory restriction of non-essential imports owing to the pandemic.
Response by INSEE	
As the only fully integrated cement manufacturer in Sri Lanka, INSEE is less dependent on imported raw materials (Clinker) compared to other players in the local market. Hence the import restrictions proved to be an opportunity for INSEE to grow its market share in 2020 and 2021.	
ENVIRONMENT	Growing global concerns regarding the environmental impact of the cement industry, in particular the Scope 1 emissions generating as a result of the production of clinker.
Response by INSEE	
Emissions from clinker production remain a key concern for INSEE, which has prompted the company to take measurable steps to reduce the clinker factor in its product portfolio. In response, INSEE has made a conscious effort to expand its portfolio of Blended cement. A notable milestone in this regard was the launch of INSEE Sanstha composite cement under SLSI 1697 in 2021.	
SOCIAL	The negative impact on the community (dust. sound etc.) is attributed to the manufacture of cement. If not managed effectively, these issues can be detrimental to the INSEE brand.
Response by INSEE	
INSEE has established a dedicated Community Advisory Panel (CAP) at each plant to manage such concerns. CAP members are expected to liaise with key community representatives to identify potential risks and also work hand in hand with these stakeholders to seek mutually acceptable solutions to the issues they face.	
TECHNOLOGICAL	Keeping pace with the fast-evolving technological developments in the global cement industry
Response by INSEE	
INSEE continues to invest in new technology to ensure production infrastructure remains on par with global standards. At the same time, the company aggressively pursues innovation and collaborations to help fuel continuous and ongoing improvement.	

Stakeholder Engagement

In view of the strong local focus of INSEE's business operations, the company has emphasized building strong relationships with its various stakeholders. The Company identified its stakeholders as those individuals or entities that have an impact on, or are impacted by INSEE's operations. On this basis, the Company has established six main stakeholder groups - Customers, Business Partners, Employees, Regulators / Media, Investors, and the Community.

Over the years, INSEE has employed a proactive approach to seek out and maintain a dialogue with all such relevant groups – both at a local as well as at a national level. This consistent approach has allowed INSEE to benefit from the exchange of ideas and opinions and to identify critical issues at an early stage while at the same time strengthening public trust in the INSEE brand.

GRI 102-15 GRI 102-42

STAKEHOLDERS' ENGAGEMENT APPROACH

Stakeholders	Engagement Methods & Frequency	Key Topics Raised	INSEE's Responses
Customers	Product brand equity study (ongoing). Customer satisfaction quality assessment (NPS) – (Ongoing). Awareness sessions (Regularly). Mason meets (Quarterly). Knowledge sharing sessions (Regularly). IAC knowledge sharing sessions (As required).	Customer expectations on ethical work practices. Customer expectation on quality products.	• Direct financial impact of training programs for customers including masons, technical officers, engineers and others. • Resultant financial benefits of productivity / service level improvements in customer service levels and product experience. • Understanding customer needs and identifying new opportunities to improve customer experience and service quality. • Specific initiatives for 2020 & 2021 • Online skill development programs and knowledge sharing sessions for engineers, technical officers. • Launch of 'INSEE Sathkara' an up-skilling initiative to develop local masons. • Launch of the Mason Apprenticeship Program.
Communities (Local communities in Puttalam and Galle)	Community Advisory Panel meetings at plant locations (frequently at a plant level and annual general meeting), Engagement with villagers during continuous community development initiatives (regularly ongoing). Regular meetings with local authorities and community leaders (ongoing). CSR programs (Ongoing).	Communities expect CSR activities to be undertaken by INSEE locations.	• Plant locations have undertaken Social Impact Assessment and have in place Community Engagement practices, the results of which drive the localized CSR programmes. • INSEE promotes the responsible use of shared value to communities by supporting their livelihood development needs • Specific initiatives for 2020 & 2021. • Donation of PPE to technical officers . • Launch of the COVID response program to support capacity expansion at state hospitals.
Employees	Quarterly Communications (every quarter), Speak up line (Continuous). Open Door Policy (Continuous). Joint Consultative Committee meetings (Ongoing). Team building activities (Regularly). CSR engagement events (Continuous). Sports and cultural activities (as required).	• Direct financial impact of training programs and resultant financial benefits of productivity / service level improvements. • Possible loss of brand reputation, payment of compensation if charged with human rights violations. However, the company abides by country labor laws. • Employee and outsourced worker expectation of adherence by PCW to maximum working hours as per regulation.	• INSEE strives to offer the best in-class Employee Value Proposition to provide an unparalleled employee experience to enable them to stay engaged and committed toward the organizational vision and also support them to become the best version of themselves. • Specific initiatives for 2020 & 2021. • Introduction of digital learning tools to promote continuous learning. • Developing coaching culture. • Implemented a chatbot on INSEE's internal social media platform - Workplace by Facebook. • Introduced Bi-monthly HR Clinics to facilitate more frequent communications between the Head of HR Manager, Industrial Relations Manager and Union Representatives. • Initiated Quarterly Town hall meetings for plant teams.

Employees		• Employee and outsourced worker expectation of freedom of association. Trade unions and effective Industrial relationships with INSEE management exist at INSEE. • Potential employee expectation. • Worker Health & Safety: Direct financial impact from loss of productivity / greater claims for the Company for company. • Loss of brand equity, due to which could stem as a result of Occupational injuries impacting both employees and outsourced contractors.	
Business Partners Dealers, Distributors Suppliers	Dealer meetings (Monthly). Market visits (Regularly). Supplier assessments (annually) . Supplier meetings (ongoing).	• Cement price controlled by regulations. • Expectation by regulators and customers for packaging compliance and quality product. • Direct negative Financial Impacts for higher rates paid for in purchases of raw materials are significant. • Sustainable options for using materials which are byproducts of other industries such as, Fly ash, slag, etc. Procurement of raw materials is subject to national and international standards. • Agreements are signed with suppliers mandating labor law adherence in carrying out their operations. Currently, no regulations exist with regard to monitoring supplier Environment and Social Impacts; internal processes already exist for local suppliers' audits.	INSEE's Procurement Policy provides clear guidelines regarding fair and equitable procurement as well as the management of supplier relationships. INSEE also undertakes review and audits of its local suppliers. Specific initiatives for 2020 & 2021. Implemented ITX 360 - transport management system to monitor performance of logistics operators. Rolled out a series of digital solutions under the Safety 4.0 program for the benefit of Third-Party Contract Workers. Invested in digital technology to expand the scope of the Contractor Safety Management Systems (CSMD).

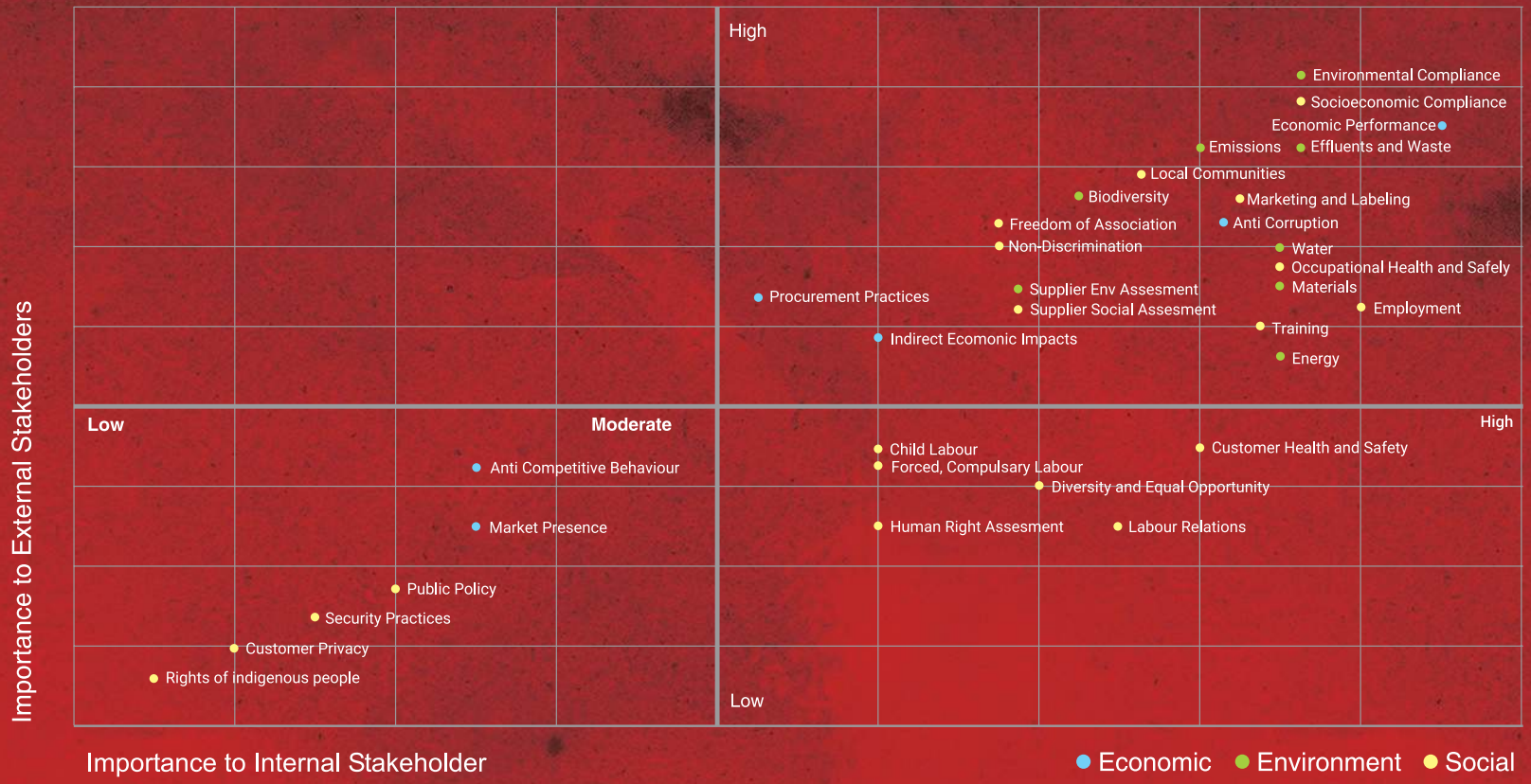
GRI 102-21 GRI 102-40 GRI 102-42 GRI 102-43 GRI 102-44

Regulators, Media	Meetings (as needed). Audit reviews(annually). Events (As required).	Regulatory and customer requirements on labelling especially on the bags. Impact on Brand reputation caused by impacts for poor quality and possible sanctions. Expectations by community to adhere to regulations and Social License to operate. Compliance to country laws on disposal of hazardous waste, and effluent discharge exist in the organization.	Compliance with Country laws and regulations such as SLSI, CAA exist. Local and global Sri Lankan and International Standards exist at INSEE. Internal quality standards and best practices are followed. Annual audits conducted by the Sri Lanka Standards Institute, the Central Environmental Authority and the third-party certification bodies on ISO and other Standards audits also assist in confirming overall compliance and adherence to best practices at an organizational level.
Investors	Monthly or quarterly meetings (ongoing). Annual General meetings (annually ongoing).	Investor / Parent Company expectations on ethical work practices. Socio Economic compliance: Customer expectations for good product quality and expectation of adherence to all local regulations. Expectation of Parent Company / Investor to abide by Group policies.	INSEE has implemented the Code of Conduct for Employees. Due diligence procedures conducted by INSEE's Legal and Compliance teams, including random audits to verify if the conditions of licenses and permits are being fulfilled continuously.

MATERIALITY MATRIX

Every two years INSEE conducts a materiality analysis to examine how individual sustainability topics are perceived by different stakeholder groups and the company itself. Each Material Topic is plotted on a Materiality Matrix to establish their significance based on their importance to stakeholders as against the impact on INSEE's business operations. The Material Topics used for this purpose are derived from the GRI Standards. The last Materiality Analysis was conducted in 2020 and reviewed by different internal stakeholders, including plant teams and functional heads for 2020- 2021. The Material topics confirmed through this process are given in the chart below.

Materiality Assessment - INSEE Cement Sri Lanka



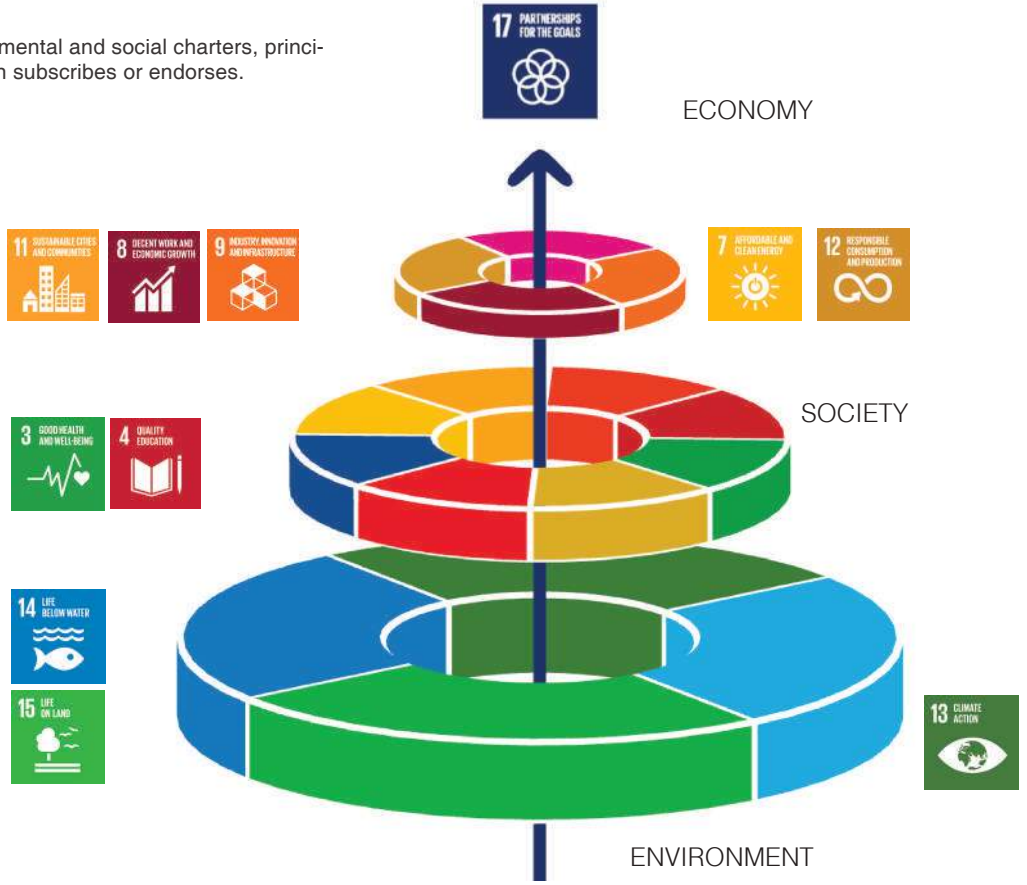
GRI 102-47

GRI Ref.	Material Topic	Why is it Material?	Degree of Materiality	Topic Boundary	Management Approach and evaluation criteria
201	Economic Performance	Supports the achievement of INSEE's long term growth objectives.	High	Internal / External	Contributing to Sri Lanka's economy. Industry Leadership
203	Indirect Economic Impacts	Clarifies INSEE's position as a key contributor towards raising the Country's socio-economic standards.	Moderate	Internal / External	Commitment to the Community.
204	Procurement Practices	Reduces the risk of disruptions caused by a breakdown in the supply chain and also ensures long term sustainability of the value chain.	Moderate	Internal / External	Strengthening Partnerships (Supplier).
205	Anti-Corruption Practices	Enhances INSEE's brand reputation in the market.	High	Internal	Risk Management (Compliance and Ethics).
301	Materials	Explore opportunities to use recycled and alternatives to reduce the volume of non-renewable raw materials.	High	Internal	Commitment to the Environment.
302	Energy	Use of alternative energy to reduce the dependency on non-renewable energy to lower INSEE's emission intensity ratio.	High	Internal / External	
303	Water	70% of INSEE's water requirements are met through surface water.	High	Internal	
304	Biodiversity	INSEE's RCW and GCW plants and the Aruwakkalu Quarry site are located in close proximity to biodiversity hotspots.	High	Internal / External	
305	Emissions	Reducing Scope 1 and Scope 2 emissions generated in the course of business operations will contribute towards lowering INSEE's carbon footprint.	High	Internal / External	
306	Effluents and Waste	Responsible waste management is important to ensure no harm to surrounding habitats and ecosystems.	High	Internal / External	
307	Environmental Compliance	Strengthens INSEE's credentials as a good environmental steward.	High	Internal / External	
308	Supplier Environmental Assessment	Reduces the risk of disruptions caused by a breakdown in the supply chain and also ensures long term sustainability of the value chain.	High	Internal / External	Strengthening Partnerships (Supplier)
401	Employment	Improves INSEE's position as an Employer of Choice	High	Internal	INSEE People.
402	Labor Relations	Keeps employees motivated and engaged in the Company's progress.	Moderate	Internal / External	
403	Occupational Health and Safety	Provides employees with the assurance of a safe work environment.	High	Internal / External	

GRI Ref.	Material Topic	Why is it Material?	Degree of Materiality	Topic Boundary	Management Approach and evaluation criteria
404	Training and Development	Improves employee capability to drive long term corporate objectives.	High	Internal / External	INSEE People
405	Diversity and Equality	Improves INSEE's position as an Employer of Choice.	Moderate	Internal	
406	Non-discrimination	Improves INSEE's position as an Employer of Choice.	Moderate	Internal	
407	Freedom of Association	Improves INSEE's position as an Employer of Choice.	Moderate	Internal	
408	Child Labor	Improves INSEE's position as an Employer of Choice.	Moderate	Internal	
409	Forced or Compulsory Labor	Strengthens INSEE's credentials as a good corporate steward.	Moderate	Internal	
412	Human Rights Assessment	Strengthens INSEE's credentials as a good corporate steward.	Moderate	Internal	
413	Local Communities	Strengthens INSEE's credentials as a good corporate steward.	High	Internal / External	Commitment to the Environment -
414	Reduces the risk of disruptions caused by a breakdown in the supply chain and also ensures long term sustainability of the value chain	Reduces the risk of disruptions caused by a breakdown in the supply chain and also ensures long term sustainability of the value chain.	H igh	Internal / External	Strengthening Partner-ships (Supplier)
416	Enhances INSEE's competitive edge in the market	Enhances INSEE's competitive edge in the market.	Moderate	Internal / External	Commitment to the Customer -
417	Safeguards INSEE's brand reputation in the market	Safeguards INSEE's brand reputation in the market.	High	Internal / External	
419	Strengthens INSEE's credentials as a good corporate steward	Strengthens INSEE's credentials as a good corporate steward.	High	Internal / External	Industry Leadership

CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS

A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or endorses.



- Launch of the Safety 4.0 Program to holistically address the safety of all stakeholders of the Company.
- Medical camps for members of vulnerable and underprivileged members of the community.
- COVID-19 response to safeguard the wellbeing of employees, customers and the community.

- Continuous learning interventions for employees.
- Leadership and soft skill development programs for RDA Engineers.
- Skill development programs for Technical Officers.
- Vocational training programs for community youth.

GRI 102-12

- Increase in the use of alternative energy in the manufacturing processes.

- Promoting a high-performance driven workplace culture.
- INSEE Business Partner awards to recognize top performing dealers and distributors.
- INSEE Sathkara Mason development program.

- Grinding capacity expansion at Ruhunu Plant.
- Launch of Sri Lanka's first-ever Resource Recovery Center by INSEE Ecocycle.
- Investment in a Pyrolysis Plant at INSEE Ecocycle co-processing facility.

- Launch of INSEE Sanstha Portland Composite Cement (SLS 1697:2021).
  -the first-ever sustainable cement in Sri Lanka.

- Resource recycling through INSEE Ecocycle co-processing operations.
- Introducing waste new solutions for used electrical and electronic equipment.

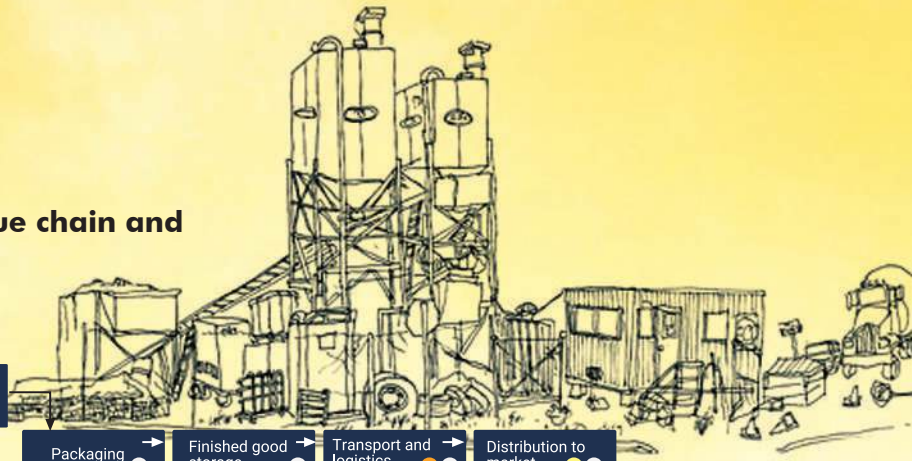
- Clean energy generation through waste co-processing by INSEE Ecocycle.
- Measuring and monitoring Scope 1, Scope 2 and Scope 3 emissions in line with the GHG protocol.
- Adoption of the ISO 50001:2018 Energy Management System Standards at plant sites.
- Annual biodiversity assessment at the Aruwakkalu quarry site.

- Animal Rescue Program at the Aruwakkalu quarry site.
- Assisted Regeneration Program to reforest decommissioned quarry sites.
- Mangrove restoration projects to focus on restoring one hectare of natural mangrove forest in the vicinity of the Serakkuliya Lagoon, Aruwakkalu, in the Puttalam District.

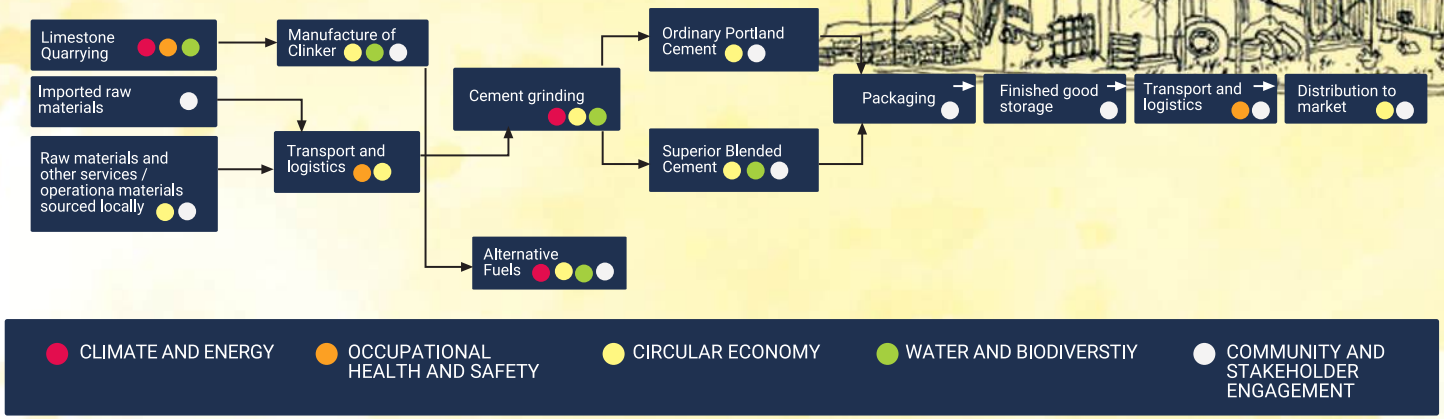
- Unawatuna Coral Reef Restoration project.

- Partnership between INSEE Ecocycle and key government stakeholders to standardize the waste management and disposal process of analytical laboratories across Sri Lanka.
- Partnership with IUCN to conduct the annual biodiversity assessment at the Aruwakkalu quarry site.
- MoU between INSEE and the Ministry of Environment to promote the adoption of waste circularity.
- Promoting stakeholder participation in seeking solutions to key sustainability issues.

BUSINESS MODEL AND VALUE CHAIN



Strategic sustainability imperatives across INSEE's value chain and business model



AFFILIATIONS AND PARTNERSHIPS

INSEE is a member of various associations that represent various interest groups. These memberships and affiliations promote exchange with other companies and organizations that share in the commitment to achieve greater sustainability over time.

INSEE's Affiliations	INSEE is a member of
Green Building Council of Sri Lanka (GBCSL)	IUCN (International Union for Conservation of Nature)
Ceylon Institute of Builders (CIOB)	The National Institute for Occupational Safety and Health
Sri Lanka Thailand Business Council.	Institution of Occupational Safety and Health
Greater Mekong Business Council, Sri Lanka	Construction Industry Development Authority
Global Cement and Concrete Association	National Enterprise Development Authority
Chamber of Construction Industry, Sri Lanka	National Apprentice and Industrial Training Authority
Biodiversity Sri Lanka	Ceylon Chamber of Commerce

SUSTAINABLE PROFIT

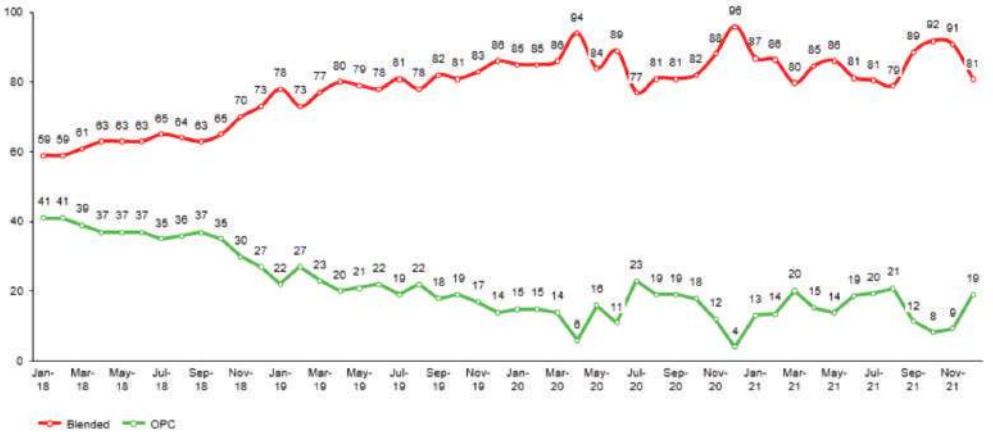
Product Innovation, Research and Development, and Compliance are the three main components that underpin INSEE's efforts to achieve industry leadership.

INNOVATION AND INDUSTRY LEADERSHIP

MANAGEMENT APPROACH

INSEE's approach to innovation focuses on new thinking and fresh ideas that will continue to position the Company at the forefront of the local industry transformation. Accordingly, INSEE strives to lead by example in challenging conventional norms and exploring new perspectives that will allow Sri Lanka's cement industry to move forward at a faster pace and while doing so in a more holistic and sustainable manner.

Product Innovation, Research and Development, and Compliance are the three main components that underpin INSEE's efforts to achieve industry leadership.



Blended Share Development

PRODUCT INNOVATION

Being in the business of manufacturing cement, INSEE acknowledges its role as one of the largest emitters of CO_2 and hence all product innovation activities center on developing products with a lower CO_2 footprint. This means reducing the clinker factor in its cement products. INSEE's efforts over the years to experiment with various clinker substitutes such as Fly Ash and Slag have produced excellent results and helped the Company to build a strong portfolio of composite (blended) cements which have a much lower clinker factor than OPC (Ordinary Portland cement). In 2021, INSEE achieved yet another significant milestone with the launch of its latest blended cement product - INSEE SANSTHA PORTLAND COMPOSITE CEMENT under the newly established Sri Lanka Standard SLS 1697:2021 Specification for Portland-Composite Cement (PCC). Engineered using INSEE's trademarked newly introduced SmartArt Complex Organo-Mineral Technology, INSEE SANSTHA PORTLAND COMPOSITE CEMENT is produced as two variants; a ternary composition combining either fly ash or slag with high-grade calcium carbonate. The optimum particle size distribution and high density of INSEE SANSTHA PORTLAND COMPOSITE CEMENT ensure the consumption of less mixing water.

What is even more unique about INSEE SANSTHA PORTLAND COMPOSITE CEMENT is that it has a 65:35 clinker to mineral composition ratio, compared to OPC, which has a 95% clinker factor and only 5% mineral component content. With its substantially lower clinker factor and associated low emission score, INSEE SANSTHA PORTLAND COMPOSITE CEMENT is labelled a "green" cement that stands out against the traditional OPC format.

INSEE's efforts to reduce CO_2 emissions in its product profile has seen the Company going beyond the conventional product innovation strategies to adopt a more holistic approach to reduce the carbon footprint of its cement products. Stemming from this, the Company has continued to explore opportunities to reduce CO_2 emissions through process innovation and increased use of alternative energy generated through the INSEE Ecocycle co-processing facility.

GRI-201:103-1,103-2,103-3

INSEE SANSTHA BRAND EQUITY INDEX

Year	2013	2015	2017	2018	2019	2020	2021
Brand Equity Index (Out of 10)	3.0	5.1	5.3	5.1	5.1	5.1	5.1

RESEARCH AND DEVELOPMENT (R&D)

INSEE considers a robust R&D framework the key enabler of its efforts to maintain its competitive edge and retain its industry leading position. It is seen as the main pivot in ongoing product innovation and portfolio augmentation as well as the principal facilitator in driving continuous improvement of systems and processes at all levels of the business. INSEE's R&D framework is also designed to go beyond the organizational needs to serve a broader purpose which is to advance the local cement industry as a whole.

INSEE's Innovation to Industry (i2i) collaboration space is the epicenter of all R&D activities conducted by the Company. Led by its mission "To deliver innovative solutions for the industry, society, and the environment" INSEE's i2i Collaboration Space, functions as a center of excellence dedicated to the development and promotion of new products and solutions for the building and construction industry in Sri Lanka. Located in Peliyagoda, the i2i Collaboration Space also features state-of-the-art testing facilities benchmarked against global standards, along with a world class Wet Lab and Strength Testing Facility. As the name suggests, the i2i Collaborative Space is designed to promote greater collaboration between all industry stakeholders, including market competitors, with one unified objective - transforming and advancing the local construction industry.

INSEE DRIVES INNOVATIVE RESEARCH AS MAIN SPONSOR OF 11TH INTERNATIONAL CONFERENCE ON SUSTAINABLE BUILT ENVIRONMENT 2020

INSEE sponsored the 11th International Conference on Sustainable Built Environment (ICSBE) 2020 which was jointly organized by the Engineering community of the University of Peradeniya, University of Moratuwa, University of Ruhuna and Open University of Sri Lanka.

This international conference, also branded as the 'Kandy Conference', and organized as a virtual 2-day event, proved to be an ideal platform and vibrant forum for the exchange of ideas, and the sharing of knowledge and experience. The event also provided the ideal forum for the dissemination of information about the built environment among academics, professionals, and policymakers on management of the built environment globally.

Held annually since December 2010, the 2020 conference vision 'to drive innovative research for tomorrow's development' collaborated with local and worldwide universities and research institutions with special sessions related to current concepts and practical ideas in a sustainable built environment. Over 2,500 local and international delegates including academics, researchers, engineers, industrial professionals and students participated. Featured during the event were six keynote speeches, 13 special sessions, and two lively panel discussions.

Faced with severe pandemic related restrictions in 2021, the i2i center launched its first-ever series of knowledge-sharing webinars for the benefit of industry stakeholders. The main aim of these knowledge-sharing webinars was to acquaint stakeholders with new ideas, trends, and technologies, while also providing a space for discussion and asking important questions.

INSEE ECOCYCLE INITIATES THE FIRST EVER NATIONAL WASTE MANAGEMENT PARTNERS' GATHERING IN A MAJOR STEP TOWARDS PROMOTING INDUSTRY COLLABORATION TO TACKLE NATIONAL WASTE

The aim of this forum was to work toward capacity building among partner members and create a collaborative environment that would bring about a genuine change in sustainable waste management. An excellent example of the positive impact created by this collaboration is the 'City Cleaning Project' in Anuradhapura, which provided a solution for sorted non-recyclable municipal waste. The initiative was a collaborative effort between Ecocycle and several other stakeholders including NGO, Urban councils, and charitable organizations.

PRODUCT COMPLIANCE

In Sri Lanka's highly regulated cement manufacturing industry, INSEE's commitment to compliance is absolute and unequivocal. Zero tolerance for non-compliance underpins the Company's efforts to prioritize compliance with all laws, rules, and regulations, including social and economic aspects and laws pertaining to anti-competitive behavior, antitrust, and monopoly practices.

INSEE is dedicated to meeting all its statutory Product Compliance obligations, including labeling specifications for cement products as stipulated by the Sri Lanka Standards Institute (SLSI). Accordingly, INSEE remains fully compliant with SLS 107 for Ordinary Portland cement), SLS 1247 for (Blended Hydraulic cement), SLS 1253 for (Portland Limestone Cement) and, most recently, SLS 1697:2021 Specification for Portland-Composite Cement (PCC). INSEE's product development process is framed by a precautionary approach toward compliance, where the Company works closely with the SLSI and other industry experts to ensure all legal and regulatory requirements are fulfilled at every stage of the product development process.

As part of its commitment to compliance, INSEE ensures that all three of its manufacturing plants – Puttalam Cement Plant, Ruhunu Cement Plant, and Galle Cement Plant, as well as the Ecocycle Pre-processing and Co-processing facilities, are all designed and built-in line with applicable statutory compliance requirements in relation to environmental aspects, health and safety, energy use and resource utilization. Additionally, the Company has chosen to voluntarily comply with global best practices in crucial areas such as quality, environmental management, safety, and energy management. Routine due diligence procedures carried out by the Company's compliance unit and annual audits by the respective certification bodies create a strong framework to validate the efficacy of the Company's compliance protocols and confirm INSEE's compliance track record.

INSEE location	Certificate
PCW - Puttalam Cement Plant	ISO 9001 – Quality Management System ISO 14001 – Environmental Management System ISO 45001 – Occupational Health & Safety Management System ISO 50001 – Energy Management Systems
RCW - Ruhunu Cement Plant	ISO 9001 – Quality Management System ISO 14001 – Environmental Management System ISO 45001 – Occupational Health & Safety Management System
MMC - Colombo Terminal	ISO 9001 – Quality Management System ISO 14001 – Environmental Management System ISO 45001 – Occupational Health & Safety Management System
Ecocycle	ISO 9001 – Quality Management System ISO 14001 – Environmental Management System ISO 45001 – Occupational Health & Safety Management System

GRI 102-2 GRI 419-1

COMPLIANCE TRACK RECORD 2020-2021

Compliance Track Record	Year 2020	Year 2021
Incidents of non-compliance regarding anti-competitive behavior and violations of antitrust and monopoly legislation	0	0
Incidents of non-compliance regarding non-compliance with regulations and/or voluntary codes concerning product and service information and labeling.	0	0
Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area	0	0
Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	0

AWARDS AND ACCOLADES

Name of Award	Awarded to	Recognized For	By whom
First Green Certificate by the Green Building Council of Sri Lanka and has become the first cement brand to be launched under the SLS 1697 Portland Composite Cement Standard	INSEE Sanstha – Portland Composite Cement (SLS 1697)	The first cement brand to be launched under the SLS 1697 Portland Composite Cement Standard	Green Building Council of Sri Lanka
Most Respected Entities in Sri Lanka	INSEE Cement	Sri Lanka's Most Respected Entities 2021	LMD magazine
Top 100 Most Loved Brand	INSEE Sanstha	For the building materials category	LMD magazine
SLIM Nielsen People's Awards 2021	INSEE Sanstha	'People's Housing and Construction Brand of the Year' for the 10th consecutive year.	Sri Lanka Institute of Marketing (SLIM)
Merit Certificate at the award ceremony of the Best Corporate Citizen Sustainability Awards 2020.	INSEE Ecocycle Lanka (Private) Limited	INSEE Ecocycle Resource Recovery Center Establishment Project to recover resources from FMCG waste in collaboration with Unilever Sri Lanka	Ceylon Chamber of Commerce

CONTRIBUTION TO THE NATIONAL ECONOMY

MANAGEMENT APPROACH

As the only fully integrated cement manufacturer in the Country with 85% of local value addition, INSEE recognizes its fundamental responsibility to deliver innovative and sustainable solutions that consistently produce the best possible outcomes for the national construction sector and, ultimately, the people of Sri Lanka. Well known for its consistency in producing high-quality cement for a value-adding price point, INSEE can customize its products based on the requirements of specific infrastructure projects throughout the nation.

It is these fundamental principles that cascade through to the Company's portfolio of industry-leading cement products that aim to support the multidimensional construction needs of an emerging economy such as Sri Lanka. To keep pace with the growth in the Country's construction sector, INSEE has over the years invested steadily to expand its production capacity and, to date, has built a collective annual operating capacity of 3.6 million tonnes.

INSEE's contribution to the national economy extends beyond its core business to support the Country's broader objectives of contributing to the UN Sustainable Development Goals, in particular, SDG 12 - Circularity in responsible consumption and production. INSEE's efforts to promote circularity are linked to the INSEE Ecocycle operation, which now stands as the leading waste management solutions provider in the Country. Achieving a sustainable green economy has always been at the forefront of INSEE Ecocycle's purpose. Established in 2003 INSEE Ecocycle is widely regarded as the vanguard for responsible waste management solutions in Sri Lanka. Having invested heavily over the past two decades to expand its co-processing capabilities, INSEE Ecocycle has paved the way for sustainable waste management in Sri Lanka through its circular economy-based solution of cement kiln co-processing.

Annual Operating Capacity

Ruhunu Cement Plant	
Grinding capacity	Current 1.0 million tonnes
Puttalam Cement Plant	
Limestone Hauling	Current 1.5 million tonnes
Design Clinker capacity	Current 0.7 million tonnes
Cement Production	Current 1.3 million tonnes
Cement Dispatch	Current 1.4 million tonnes
Galle Cement Plant	
Grinding capacity	Current 0.4 million tonnes

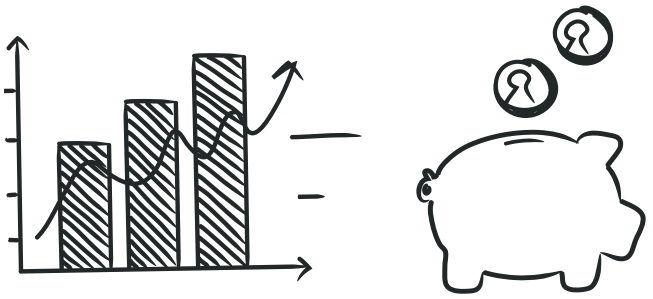
Key Highlights of the Economic Contribution

Annual Operating Intensity Factors	Year 2020	Year 2021
Total Cement Produced Puttalam, Ruhunu and Galle cement plants	1.98 million tonnes	2.92 million tonnes
Total Cement bagged In Colombo Cement Terminal Packing Plant	95,149 tonnes	138,460 tonnes
Total Waste sent for Incineration By INSEE Ecocycle Pre-Processing Plant in Katunayake	20,734 tonnes	17,185 tonnes
Total Concrete Produced INSEE Ready-Mix, Peliyagoda	46,463 tonnes	74,307 tonnes
Total Waste Generated	1.48 million tonnes	2.25 million tonnes
Waste 3 R's Percentage Recycled, Reused, Recovered	84%	89%

GRI 102-7 GRI 201:103-1,103-2,103-3

Direct Economic Value Generated: Revenue	Year 2020	Year 2021
Total Revenue Generated (LKR)	33,589 million	44,404 million
Operating Profit (LKR)	3,911 million	5,065 million
Economic Value-Added (LKR)	(210.49)	1,143.45

Economic Value Distributed	Year 2020	FY 2021
Operating Costs (LKR)	29,677 million	38,741 million
Dividends (LKR)	3,842 million	2,986 million
Project Expansion and Rationalization (LKR)	29 million	574 million
Employee Wages and Benefits (LKR)	2,897 million	2,787 million
Payments to Government (LKR)	637 million	732 million
Community Investments (LKR)	90.89 million	138.8 million
Environment Investments (LKR)	0	20.1 million



INFRASTRUCTURE INVESTMENT

INSEE's capital expenditure investments are based on the Company's strategic plan and the related annual capital allocation budget approved by the Board. Notable investments undertaken by INSEE in 2020 and 2021 include;

Grinding capacity expansion at Ruhunu Plant

Reiterating its commitment to strengthening the local economy by increasing domestic production and manufacturing more sustainable products for Sri Lanka's construction sector, INSEE embarked on a state-of-the-art capacity expansion project that would see the grinding capability at its Ruhunu Cement Works (RCW) plant in Galle expanded by a further one million tonnes per annum. INSEE's contribution to uplifting the national economy also stems from the desire to assist in Sri Lanka's post-pandemic recovery.

The capacity expansion in the new grinding station is seen as a brownfield project at the RCW site in Galle due to its strategic location between the primary Western market and the growing Southern market. Its strategic location adjacent to port and ground cargo delivery networks will allow the company to leverage the advantage of optimizing its operation between the production facility and markets.

Launch of Sri Lanka's first-ever Resource Recovery Center by INSEE Ecocycle

The Resource Recovery Centre which was launched by INSEE Ecocycle in partnership with Unilever Sri Lanka is a unique initiative to spearhead Sri Lanka's journey toward becoming a waste-free nation. Costing an Approximately estimated Rs. 48 million per annum the fully-fledged Resource Recovery Centre, equipped with state-of-the-art technology, marks an important milestone for INSEE Ecocycle as it will spearhead the Country's transition towards a circular economy, where waste is eliminated, and resources are used in an efficient and sustainable way.

INSEE Ecocycle's Resource Recovery Centre will ensure an end-to-end solution facilitating the systematic collection of FMCG and post-consumer waste through comprehensive steps including reverse logistics to collection of waste from general trade and modern trade, segregation, purification, reuse and coupled with partnerships for recycling, upcycling alternatives for discarded goods. These resource recovery-based waste management solutions which go beyond existing basic cement kiln co-processing solutions will enable the Company to make a more impactful contribution towards achieving the objectives set out under the national waste management strategy.

GRI 201-1 GRI 203-1 GRI 203-2 GRI 203:103-1,103-2,103-3

Investment in a Pyrolysis Plant at INSEE Ecocycle co-processing facility

Pyrolysis is the thermal degradation of the organic components of the solid waste of polythene, plastic and rubber. The process typically takes place at temperatures of 450 °C to produce an oil, gas and char product in addition to the recovery of the steel. In this way, Pyrolysis provides a highly sustainable mechanism for the disposal of used solid waste of polythene plastic and rubber, thus reducing if not eliminating the volume of waste sent to landfills. At a total cost of Rs. 113 million the process of commissioning the Pyrolysis plant started in February 2021 and is expected to be completed by February 2022. Upon completion, the plant is expected to have an annual processing capacity of 2000 tonnes per annum of non-recyclable polyethene plastic and rubber waste which will generate 30% of oil to be used as alternative energy in firing the PCW kiln. INSEE Ecocycle will also be the only entity in Sri Lanka to have invested in the Pyrolysis technology.

OTHER CAPEX investments in 2020 and 2021

DESCRIPTION	LOCATION	VALUE (LKR)	IMPACT TO THE NATIONAL ECONOMY
Commissioning of feeder lines to channel Fly ash and Slag to produce the new composite cement SLS 1697	PCW	168 million	• Reduces the need to import clinker for cement production, thus saving foreign exchange. • Improves the sustainability of the Country's construction models.
Expansion of the Palletizer to augment packaging capacity at the warehouse	PCW	98 million	• Faster turnaround time to meet market demand.

NATIONAL-WIDE SOLUTIONS OFFERING

Expanding the Company's reach across the island to provide maximum convenience to customers has always been a key priority in the delivery of the company's customer value proposition. The strong relationships built with a vast network of channel partners – dealers, distributors, business partners, as well as influencers – masons, technical officers, architects, and engineers have all contributed to achieving high levels of customer satisfaction. In addition to enabling customers to access its products, these networks provide direct employment to thousands of Sri Lankans and also possibly create indirect employment opportunities for millions around the Country.

As the only fully integrated cement manufacturer in the Country, INSEE was the only brand that continued to maintain uninterrupted supplies in 2020 and 2021, even when pandemic-related challenges and the depreciation of the Sri Lankan Rupee forced competitors to scale back on their cement imports. Considering that the sudden drop in cement imports was causing severe shortages in the availability of products in the local market, INSEE added two more shipping vessels to its import logistics operation in a bid to address the product shortages in the local market in 2021. Moreover, the Company also took several additional steps to optimize its express logistics, delivery channels, and the bulk carrier fleet to ensure an uninterrupted supply of products to customers around Sri Lanka.

SUSTAINABLE PRODUCTS AND SOLUTIONS - HIGHLIGHTS FOR 2020 AND 2021

INSEE SANSTHA PORTLAND COMPOSITE CEMENT (SLS 1697:2021) THE FIRST-EVER SUSTAINABLE CEMENT IN SRI LANKA

ECONOMIC SUSTAINABILITY

The product is manufactured using fly ash and slag, which are the by-products of local industries and as such requires less imported clinker, thus saving valuable foreign exchange for the Country.

SOCIAL SUSTAINABILITY

The product is geared to support better quality and more durable concrete structures to enhance safety and stability of social infrastructure.

ENVIRONMENTAL SUSTAINABILITY

The product has a low carbon footprint as it is manufactured using industrial by-products such as fly ash and slag.

The product contributes to the circular economy through the process of value additions that transforms low value, end-of-life by-products into a cementitious material.

PURSUING PARTNERSHIPS FOR PROGRESS

INSEE has always believed that partnerships help to augment the Company's bring about broader change at a national level. In 2020 and 2021, INSEE entered into several key partnerships, most notably;

The landmark agreement between INSEE and the State Engineering Corporation (SEC)

INSEE entered into a landmark agreement with the SEC to purchase dolomite - a key raw material in the cement manufacturing process. The agreement entails INSEE to purchase dolomite from a quarry deposit owned and operated by the SEC in Matale.

The Partnership between INSEE Ecocycle and key government stakeholders to standardize the waste management and disposal process of analytical laboratories across Sri Lanka

INSEE Ecocycle in 2020 marked a historic milestone by signing the Country's first-ever sustainable waste management agreement with the Central Environmental Authority (CEA) to provide sustainable waste management solutions for the CEA's island-wide network of Analytical Laboratories. In the absence of a standard methodology for the disposal of laboratory waste, previously all hazardous waste accumulated at the laboratory premises was discharged into the open environment such as drains, soil and natural water streams etc. The potential ramifications for surrounding ecosystems include soil acidification or soil alkalization, eradication of aquatic plants and animals, possible groundwater contamination, acid rains and ozone depletion, while likely threats to human health range from skin cancers, liver damage, blindness and neurological disorders to adverse pregnancy outcomes and bioaccumulation.

Continuing with efforts to create a Country-wide standard for the management of analytical laboratory waste, INSEE Ecocycle signed another milestone agreement in 2021, this time with Marine Environment Protection Authority (MEPA) - the apex body established to prevent, control and manage pollution in Sri Lanka's marine environment, to provide Sustainable Integrated Waste Management Solution for MEPA's Galle analytical laboratory.

INSEE ECOCYCLE LAUNCHES A NEW SOLUTION TO PROVIDE SUSTAINABLE WASTE MANAGEMENT SOLUTIONS FOR USED ELECTRICAL AND ELECTRONIC EQUIPMENT BY LAUNCHING A NEW SOLUTION TO DECOMMISSION

In 2021 INSEE Ecocycle expanded its offerings by launching a new solution to decommissioning electrical and electronic equipment by dismantling and separating parts at its state-of-the-art electronic waste pre-processing facility in Katunayake. All dismantled e-waste is then exported to Japan for reprocessing and upcycling. This is facilitated through INSEE's long term partnership with Ousei Kankyo Shoji Co. Ltd Japan, a reputed organization undertaking e-scrap recycling to preserve the environ-ment. The first phase of the program saw INSEE tying up with the local councils in Sri Lanka's Western and North Western provinces to collect and export its first consignment of 1.32 tonnes of e-waste in 2021, which brought foreign currency to the value of USD 3981.

THE MoU BETWEEN INSEE AND THE MINISTRY OF ENVIRONMENT TO PROMOTE THE ADOPTION OF WASTE CIRCULARITY

Under the MoU, INSEE Ecocycle will collect discarded waste material such as carbon pens and toothbrushes which will then be repurposed and directed for upcycling in other industries. Based on the shared theme 'Discipline, not Law', seeks to imbue a culture of self-discipline to promote the adoption of responsible consumption and waste disposal practices among the wider public.

EXTENSION OF THE AGREEMENT BETWEEN INSEE ECOCYCLE AND THE BOI TO DISPOSE SOLID WASTE GENERATED AT KATUNAYAKE EXPORT PROCESSING ZONE (KEPZ)

The new agreement allows INSEE Ecocycle to continue as the exclusive waste disposal partner for the KEPZ until 2023. Ecocyle's pre-processing facility located within the KEPZ has become a strategic hub for industrial servicing, hazardous waste pre-treatment, laboratory analysis & waste logistics for over 850 industrial plants within the KEPZ. The pre-processing facility also serves the needs of over other industrial plants around the Country including those located at several other BOI zones such as the Seethawaka EPZ, the Wathupitiwala EPZ,the Biyagama EPZ, the Mirigama EPZ, the Koggala EPZ, and the Pallekele EPZ.

PROMOTING STAKEHOLDER PARTICIPATION IN SEEKING SOLUTIONS TO KEY SUSTAINABILITY ISSUES - HIGHLIGHTS FOR 2020 AND 2021

INSEE Ecocycle initiated common platform by organizing a business for gathering for the island wide recycling & upcycling partners who transforms the different waste material into valuable resources contributing to circular economy

MoU signed with Lions Club with the presence of the minister of environment to carry out environmental awareness for small and medium enterprises in the country.

GRI 203-1 GRI 203-2

INSEE Ecocycle joined hands with Marine Environment Protection Authority (MEPA) for the Inauguration ceremony of International Coastal Cleanup Day and National Marine Resources Conservation Week 2020 at Mount Lavinia Beach

INSEE Ecocycle joined hands with department of Chemical & Process Engineering, University of Moratuwa for the ChemECon 2020, a conference to showcase research & industrial projects undertaken by undergraduates with the aim of bridging the gap between industry and university research in the field of Chemical and Process Engineering.

INSEE Ecocycle initiated the first ever National Waste Management partners' gathering at its i2i space in 2021. The gathering which included series of workshops and knowledge sharing sessions is seen as a first step towards forming an industry coalition to tackle the national waste crisis by bringing together industry experts and other interested parties sharing the same waste management ideology and circularity goals.

GRI 203-1 GRI 203-2

UPLIFTING PEOPLE'S LIVES

INSEE's efforts to reduce CO_2 emissions in its product profile have seen the Company going beyond the conventional product innovation strategies to adopt a more holistic approach to reduce the carbon footprint of its cement products.

PIONEERING SAFETY IN CONSTRUCTION

Having embraced Safety as one of its sustainability goals, INSEE strives to be known as the most admired safety advocate in Sri Lanka's corporate sector.

MANAGEMENT APPROACH

Demonstrating its commitment to safety, INSEE takes a 360-degree approach to ensure 'Zero Harm' to employees, contractors, and other stakeholders across the value chain, including Third-Party Contract (TPC) workers, customers, and the wider society. This holistic view is encapsulated in the Company's EXCO-approved Safety Charter, which serves as the first reference point for our overall health and safety management system.

INSEE's approach to safety is further underscored by the Company's commitment to comply with all safety regulations applicable to the business. Beyond this, INSEE strives to benchmark globally accepted best practices for safety management in the workplace, which has led the Company to adopt the ISO 45001 Occupational Health and Safety Management System Standard at all manufacturing locations.

In 2021 INSEE updated its overall approach to safety with the launch of the Safety 4.0 program to focus on introducing digital technology to strengthen key aspects of the Company's overall safety protocols.

KEY HIGHLIGHTS OF THE SAFETY 4.0 PROGRAM

KIOSK Induction for visitors and low-risk contractors

An average of 100 face-to-face inductions are carried out on a daily basis across the organization by INSEE's H&S, Ecocycle and Logistics teams resulting in long wait times for stakeholders. The main purpose of the KIOSK Induction aims to reduce face-to-face inductions for visitors and low-risk contractors by 30%. Under the project, touch screen KIOSK machines were commissioned at selected sites where visitors and low-risk contracts can complete a questionnaire to validate their credentials and immediately receive a temporary pass to enter the site.

Proximity sensors/ cameras for heavy machinery

The project saw the installation of an integrated system of proximity sensors and multiple view cameras (sides and rear sense) on INSEE's fleet of heavy machinery and mining equipment. Prior to this, the total fleet of mining machinery operates without any proximity sensors which raises the risk of impact with other machinery.

Automation of the Contractor Compliance Management Module

Currently, the training, induction, medical, license, and gate pass compliance processes are checked manually by multiple administrative teams, making it a very time-consuming process with a high likelihood of human error. With almost 70% of these administrative processes covered under the automation program, the overall processing speed will be drastically reduced. It will also facilitate better management of contractors and Contract Workforce Compliance Requirements in terms of training, medical fitness and licensing requirements and/or enable proactive measures to be taken to avoid the occurrence of non-compliance. It will also make it possible to activate the interfacing to Access Control Systems feature to automatically restrict non-compliant Contractor teams from entering any of the Company's sites.

LONE WORKING WRISTBANDS AND PANIC ALARMS

Introduced for persons involved in quarry work, the wristbands are designed to activate automatically when detecting the impact of a fall. The worker can also press the button if he or she is incapacitated, thus greatly enhancing the safety of workers operating heavy machinery at the quarry site.

VEHICLEINSPECTIONT ABS

More than 1,500 vehicle inspections are carried out annually as part of INSEE's logistics safety program, with all inspection records maintained manually. The main purpose of introducing tabs was to enable digital record keeping to facilitate monitoring and follow-up of corrective action. As part of the first phase of the project, inspection records of more than 70% of the logistics fleet were converted to the digital version, where findings are stored in a central server for easy access. Some of the details stored include vehicle number, contractor, site, operation, inbound, outbound, and inspector along with key issues and trends.

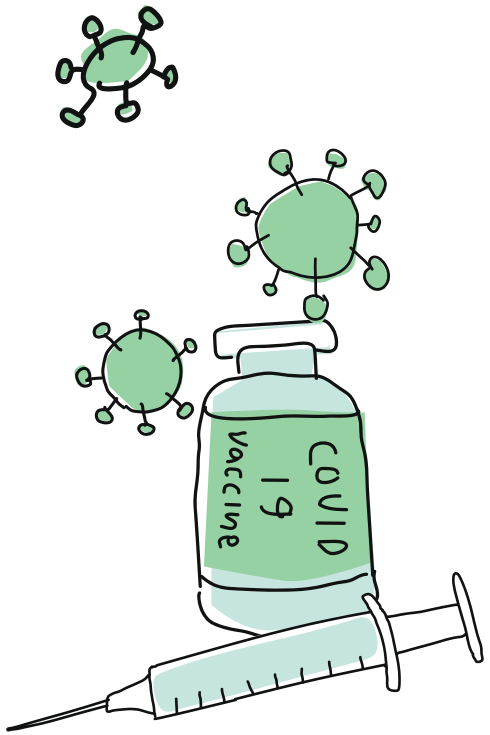
TOOLBOX GUILD AS VIDEOS

Introduced a series of short (3-minute) video clips designed to present H&S training information to employees in an engaging and entertaining manner. The tool box guild videos were shared among teams via WhatsApp/Facebook and other social media platforms.

COVID-19 Response

With cement manufacturing declared an essential service under the pandemic guidelines, INSEE continued to function throughout 2020 and 2021. However, to ensure the safety of employees the following protocols were implemented:

- All employees were provided with face masks and sanitation liquid.
- Mandatory temperature checks were introduced at all entry points along with frequent checks throughout the day.
- A Critical Response Team was set up to restructure operations to minimize the risk of exposure to employees from the workplace and coordinate with health authorities to implement recommended protocols.
- Additional shifts were introduced for plant operations.
- Each shift was operated on the basis of a bubble system, where employees were provided accommodation.
- Movement of employees between plants was restricted.
- Continuous and ongoing communication to educate employees regarding the importance of adhering to COVID-19 protocols.
- Implemented a detailed plan for Third Party-Contract employees engaged in providing logistics services to INSEE.
- Where possible and practical, implemented Work from Home arrangements for administrative employees.



Occupational Health and Safety Management System

INSEE complies with all national safety regulations applicable to the business. In addition, a fully-fledged Safety Management System has been established to cover all employees on-site at any of the Company's manufacturing locations at a given time.

The Safety Management System which is benchmarked against the ISO 45001 Occupational Health and Safety Management System Standard provides the structure through which the Company's safety vision is cascaded and internalized by employees at all levels of the business. At the heart of this Safety Management System, are the thirteen Fatality Prevention Elements (FPEs), including working at height, isolation and lockout, vehicle and traffic safety, machine guarding, lifting and supporting loads, etc. all of which aim to adequately control specific hazards at plants and sites. Each FPE is accompanied by detailed safety instructions intersections designed to ensure each activity can be carried out safely and without injury. Regular and ongoing training is a critical component of the FPE implementation procedure.

Task Observations (TO) and Safety Observation Tours (SOT) are carried out at random by internal teams to verify the compliance of the specific tasks and ensure employees conform to the formal Health and Safety processes.

The implementation of FPE protocols is audited bi-annually by INSEE's internal audit teams and further verified annually through the INSEE Group Regional Audit team. These audits, TO's, and SOT's help determine the level of Health and Safety compliance at operational Health and Safety levels and identify gaps to facilitate continuous improvement. With effect from mid-2021, INSEE also began participating in the new peer-review procedure implemented in a Group-level. The aim of this exercise is to facilitate knowledge sharing to enable ongoing improvement in FPE protocols across the Group.

GRI 403-1 GRI 403:103-1,103-2,103-3

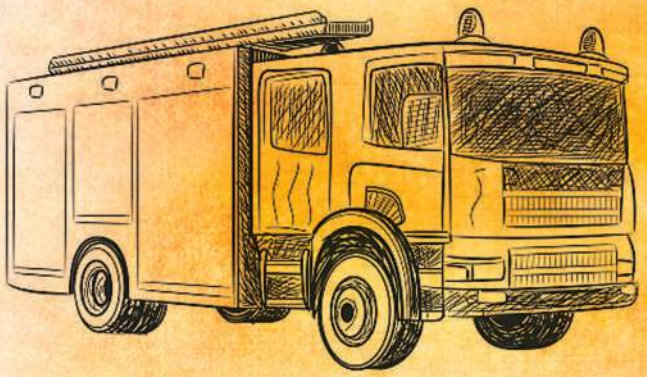
Hazard Identification, Risk Assessment, And Incident Investigation

The Company's Safety Management System includes an online H&S Reporting Framework to facilitate reporting of incidents as well as hazard observation and findings from TO's and SOT's. Hazards can be reported in real-time through the "OHS Report" mobile application which then triggers an immediate notification to the respective functional owner who is required to take necessary action to close the hazard.

All incidents including onsite fatalities, lost time injuries, medical treatment injuries, first aid incidents, near misses and property damages are reported and investigated. Depending on the severity of the incident the investigation team may include an EXCO member, plant manager, line manager and safety manager to lead the investigation. Even minor incidents such as first aid and property damages are summarized and included in the monthly reports sent to the EXCO.

The detailed presentations of all critical incidents are presented by the accountable Line Manager at the next Central Safety Committee headed by the CEO. Actions are then reviewed at the forum and inputs are given by the EXCO.

All incidents, including the minor incidents, are carefully analyzed, and studied individually every year, whereby the H&S Function then draws the trends and patterns of such incidents to improve the Annual H&S Strategic Planning process.



Fire at Ecocycle Pre-Processing Premises in Katunayake

In the early morning hours on 3rd February 2021, a fire was reported in Ecocycle at the Katunayake Free Trade Zone. The fire was quickly and efficiently brought under control with the immediate help and support of the Airport and Aviation fire brigade, Sri Lanka Air Force, Sri Lanka Navy, Katunayake BOI Fire Brigade and the Fire Service Department of Colombo, with the guidance of the Disaster Management Center. The cause of the fire was investigated and additional measures were taken to further strengthen the safety aspects of the Company's operations.

Occupational Health Services

The Company has mandated that all INSEE employees undergo an annual health check. Non-Management Level employees received their health check from the in-house doctor at each plant, with the doctor required to report to the relevant Plant Manager any potential health risks detected across the cadre. This enables the Company to ascertain possible health risks that can likely affect the continuity of business operations. All individual employee health records are maintained confidentiality under the doctor's purview.

For Middle-Management Level and above employees, the mandatory annual health check is done through a Company-recommended hospital or clinic. In the event severe life-threatening conditions are detected during these yearly checks, the hospital or clinic is required to provide such information to INSEE. All information received by the Company is treated with the strictest confidentiality and filed in the respective personnel files of employees.

GRI 403-2 GRI 403-3

Workers Covered by an Occupational Health and Safety Management System

Occupational Injuries & Diseases	2020			2021		
	Total	Male	Female	Total	Male	Female
Total Employees	2	2	0	1	1	0
No. of Fatalities	Total	Male	Female	Total	Male	Female
Total Employees	0	0	0	0	0	0
Total Contractor's Personnel	0	0	0	0	0	0
High Consequence Injuries - No. of injuries that require more than 6-month recovery time:	Total	Male	Female	Total	Male	Female
Total Employees	0	0	0	0	0	0
Total Contractor's Personnel	0	0	0	0	0	0

Worker Participation, Consultation, And Communication on Occupational Health and Safety

Employee consultation, communication, and participation are seen as critical components in the successful implementation of the Company's safety management system. INSEE's Central Safety Committee (CSC) is the apex body in charge of safety within the Company. Chaired by INSEE's CEO, the CSC consists of a cross-functional team responsible for safety oversight across the organization. The CSC meets every two months to discuss health and safety matters and review active and reactive OHS performance indicators, H&S activities, and contractor safety-related issues.

Under the supervision of the CEO, the Health & Safety department is responsible for the implementation of the health and safety management system, including the formulation of policies and procedures in line with globally accepted safety standards. Monitoring of safety performance and accident investigation process also come under the purview of the Health and Safety department.

At the plant level, the Plant Manager, with the support of the Plant Health & Safety Manager, provides supervisory oversight for implementing safety protocols and monitoring safety performance in the day-to-day operations. Fatality Prevention Elements (FPE) Champions who are different functional leaders at each plant/ site are responsible for implementing and monitoring FPE protocols under their purview.

Monthly Health & Safety Sub-committee meetings are conducted at the plant level. These meetings are chaired by the Plant Manager and require the participation of senior managers, FPE Champions and line managers representatives from all departments. Union representatives also attend these meetings on an invitation to discuss health and safety topics relevant to the collective agreement covering Non-Management Level employees. The Plant Safety Manager presents the monthly OHS performance update, including proactive and reactive indicators while issues are discussed in this forum.

GRI 403-4 GRI 403-8

Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked Business Relationships

INSEE allocates equal priority to ensure the safety of its off-site functions, specifically to address the risks associated with the Company's inbound and outbound logistics and transport operations involving the transport of raw materials and distribution of finished goods. Another key component of INSEE's off-site safety is the Company's quarry operations in Aruwakkalu.
INSEE has set up a separate Contractor Safety Management Directive (CSMD) with its framework of seven key pillars designed to ensure the safety of TPC workers who provide logistics services and handle mining work at the Company's quarry.

The seven pillars are,

- Defining the scope and safety planning
- Pre-qualification of contractor
- Pre- commencement of the contract
- Execution and control
- Communication
- Auditing and improvements
- Closeout and review

The CSMD is accompanied by a dedicated Contractor Compliance Management workflow system that serves as a central information database to capture all contractor information, including their training logs.

Worker Training on Occupational Health and Safety Promotion of Worker Health

Stemming from INSEE's new Safety 4.0 program, the scope of the CSMD was further expanded with a new compliance monitoring framework being introduced with the help of digital technology. Key features of the new CSMD include a contractor registry, contractor workforce registry, contractor-wise and contractor workforce-wise compliance registries, and a compliance dashboard showing drivers' medical, training, and licensing status.

Moreover, INSEE's Safety Charter contains a separate program covering Off-Site Safety, designed to ensure the safety of all TPC workers engaged in performing activities for the Company. The Company's off-site safety program covers fleet safety and driver safety aspects of the inbound and outbound logistics operation and detailed safety guidelines for the mining and quarrying operations.

All vehicles are fitted with internal and external vehicle surveillance equipment and GPS monitoring devices to ensure vehicles do not operate during restricted times from a fleet safety perspective. GPS data is also used as the basis for speeding violations by drivers. In addition, the Company has also put in place a Road Observation Unit to conduct spot inspections to determine driving speed, driver reflexes, and driving etiquette. Meanwhile, to ensure drivers have the opportunity to take more frequent breaks, designated rest stops have been allocated on all key routes.

Regular and ongoing training forms a significant component of this off-site safety program. With the support of a dedicated Road Safety Manager, the Director of Procurement and Logistics focuses on providing regular training for drivers and maintains strict oversight to ensure both driver compliance and fleet safety. Stemming from the newly launched Safety 4.0 program, the Company invested in a range of digital solutions in 2021 to strengthen the off-site safety model. In this regard, fatigue detection sensors were commissioned in all vehicles to enable real-time monitoring of drivers' fatigue levels, reflexes, and speed when on the road. The 5-camera system is linked to the central server and is monitored 24/7 by a dedicated unit set up specifically for this purpose. Vehicle inspection records that were previously maintained manually were also digitized using vehicle inspection tabs connected to a central server. This allows all aspects of the vehicle performance to be continuously tracked to ensure potential gaps can be identified and addressed without delay.

The Company also invested in providing crane operators at the quarry site with digitally enabled "lone working" wristbands equipped with a panic alarm system that will automatically activate an automatic emergency alert in the event of a fall. The entire system is connected to a central server monitored by the Company's H&S teams.

GRI 403-5 GRI 403-7

Promotion of Worker Health

INSEE works closely with its strategic business partners to ensure the health and wellbeing of its TPC workers. While the Company does not request for personal medical records of TPC workers, all TPC workers must submit an annual health declaration confirming their ability to perform optimally as per the Company's expectations. The health declarations should typically be supported by a medical clearance signed by a licensed doctor. These procedures aim to ensure that all parties working for INSEE operate in conformity with the Company's internal practices for the health and safety of its people.

All Employees whose work and/or workplace is controlled by the organization:		2020		2021	
		All Employees (Full Time and Contract Employees)	Third Party Contractors' Workers who are not employees	All Employees (Full Time and Contract Employees)	Third Party Contractors' Workers who are not employees
i.	Total number of fatalities as a result of work-related injury;	0	0	0	0
ii.	Total number of high-consequence work-related injuries (excluding fatalities);	0	0	0	0
iii.	The number and rate of recordable work-related injuries;				
	No. of injuries that require a recovery time of greater than 1 day and less than 6 months	0	2	0	1
	Total number of Lost days of all types for Recordable and High-Consequence Injuries	0	73	0	63
iv.	The main types of work-related Injuries;				
	Total No. of Injuries Due to Falling	0	1	0	0
	Total No. of Injuries Due to Explosions and exposure to harmful rays/ substances	0	0	0	0
	Total No. of Injuries Due to Malfunctioning Equipment	0	0	0	1
	Total No. of Injuries Due to Electrocution	0	0	0	0
	Total No. of Injuries Due to Lifting or Moving heavy items	0	0	0	0
	Total No. of Injuries Due to Cuts, Pricks and Sharp Objects	0	1	0	0
	Total No. Injuries Due to Roadside Accidents/ Vehicle Collisions	0	0	0	0
	Total No. of Injuries Due to Commute (if transport provided by company)	0	0	0	0
	Total No. of Injuries Due to Natural Disasters and other causes	0	0	0	0
v.	The number of hours worked.				
	Working Days in the period	250	250	250	250
	Number of Hours worked by 1 employee (8 hours per day)	2,000	2,000	2,000	2,000
	Number of Hours worked by 100 employees	200,000	200,000	200,000	200,000
vi.	OHS Rates				
	Fatalities Rate (GRI Calculation) per 100 workforce	0	0	0	0
	High-Consequence Injury Rate (GRI Calculation, excludes Fatalities) per 100 workforce	0	0	0	0

GRI 403-6 GRI 403-9

Safety Culture

INSEE believes a strong organization-wide safety culture plays a vital role in ensuring the proper implementation of the Company's Safety Management system. The Company has applied the precautionary principle to develop a robust safety culture where all employees share the responsibility for ensuring their own safety as well as that of their colleagues. Moreover, the Company's leadership principles dictate that Managers at all levels demonstrate visible health and safety leadership by ensuring that health and safety policies are implemented and continuously reviewed. Managers are also held accountable for accomplishing health and safety goals by continually improving the health and safety performance of areas under their purview.

To further strengthen the safety culture at the plant level, INSEE has implemented the Visible and Felt Leadership Program, which aims to develop Safety Ambassadors among non-managerial level employees and subsequently move them into the Next Leader, program accredited by the Institute of Occupational Safety and Health (IOSH), UK.

As part of the Safety 4.0 program introduced in 2021, a series of video clips on safety was developed and launched on INSEE's social media platforms. The short 3-minute video clips produced under the theme "Toolbox Guild" focused on implementing an entertaining and interesting version of H&S education.

In 2020 INSEE's safety management policy was updated with new criteria included to reinforce the Company's stance regarding zero tolerance for non-compliance. Stricter protocols were introduced to address non-compliance of safety measures with these new procedures made applicable to all employees, including TPC workers.

Operating in the highly regulated cement manufacturing industry, the safety of INSEE's product portfolio is assured by the designated SLSI codes for each product.

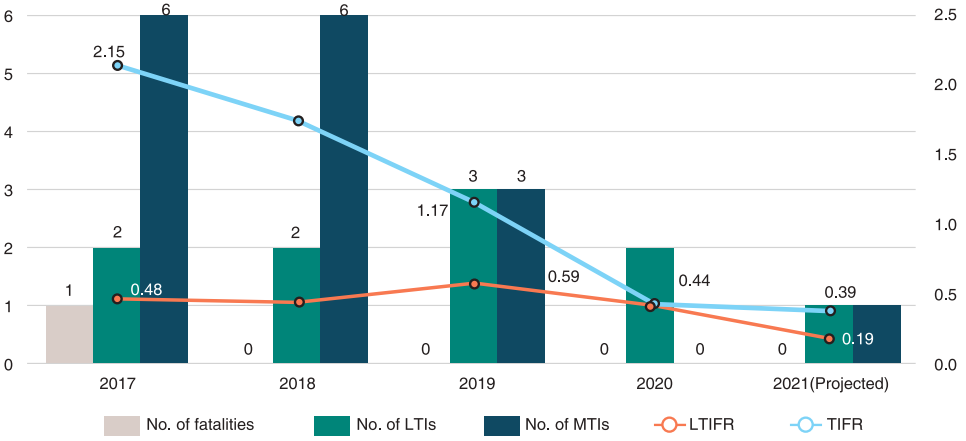
As part of its continuous improvement program, the Company of its own accord undertakes extensive research to explore possible avenues to improve the safety of the Company's packaging material.

As a leading manufacturer in the Country', INSEE strives to lead by example in addressing the health and safety concerns of the broader community. The Company has established Community Advisory Panels at PCW and RCW to work with the respective community stakeholders to understand their concerns and find suitable solutions to address these needs.

In response to the community's needs, INSEE has set up a medical clinic at PCW where neighboring communities are given the opportunity to receive free medical consultations from a specialist doctor. The company also conducts annual health camps as part of its CSR activities.

In 2020 and 2021, INSEE stepped in to prevent the spread of COVID-19 among communities in and around its plants by providing masks and other essential medical requirements.

Year 2017-2021 OHS Performance – INSEE Cement Sri Lanka (Employee and Contractor On-site)



GOALS AND TARGETS	
PROGRESS ON 2020 & 2021 TARGETS	
Implementation of the CSMD workflow system in line with the ISO 45001 migration.	Completed
Expand the Visible Felt Leadership initiative through the mind and behavior-based interventions.	Pending
Roll out the driver retention campaign.	Pending
Introduce special wellbeing activities for drivers.	Pending
GOALS AND TARGETS FOR 2022 AND BEYOND	
Roll out of virtual reality-based simulator training modules for new drivers.	
Expand digital tools to focus on creating continuous learning of safety aspects.	

GRI 102-11 | GRI 203:103-1,103-2,103-3 | GRI 203-1 | GRI 403-2 | GRI 416:103-1,103-2,103-3 | GRI 416-1

EMPLOYEES

MANAGEMENT APPROACH

INSEE's approach to people management offers an unparalleled employee experience to enable them to stay engaged and committed toward the organizational vision and support them to become the best version of themselves. This approach is encapsulated in INSEE's Employment Value Proposition (EVP), which is derived from the Group-wide INSEE People Excellence mandate that seeks to produce a team of agile and passionate people who are willing and able to create a winning organization.

Essentially, INSEE's EVP focuses on enhancing employees' development, career advancement and well-being, enabling them to grow with the Company. while staying true to these fundamental principles, the EVP was further refined in 2020 to improve the readiness of the Company's human capital in alignment with the new people strategy and the modern challenges and opportunities of INSEE. A stronger emphasis on communication saw several two-way communication channels being established.

At the same time, a series of structural changes were made in a bid to simplify reporting lines and create a more agile operating framework to enable employees to function effectively amidst pandemic-related challenges. Meanwhile, to facilitate more excellent connectivity, promote collaboration and improve ease of working amidst pandemic-related restrictions, all administrative teams were moved to a centralized location at INSEE's new corporate office in Colombo 02.

Total No. of Employees and other Workers in Year 2020	Employees, aged Below 30		Employees, aged Between 30 and 50		Employees, aged Above 50		Total
	Male	Female	Male	Female	Male	Female	
Top Management Level	0	0	5	0	4	0	9
Senior Management Level	0	0	30	4	4	0	38
Middle Management Level	22	7	101	13	5	1	149
Front Management Level	40	9	82	2	7	0	140
Non-Management Level	37	1	149	1	51	0	239
Total Employees	**99**	**17**	**367**	**20**	**71**	**1**	**575**

Total No. of Employees and other Workers in Year 2021	Employees, aged Below 30		Employees, aged Between 30 and 50		Employees, aged Above 50		Total
	Male	Female	Male	Female	Male	Female	
Top Management Level	0	0	5	0	3	0	8
Senior Management Level	0	0	29	3	4	0	36
Middle Management Level	20	4	105	15	5	1	150
Front Management Level	34	8	88	2	7	0	139
Non-Management Level	24	0	149	2	54	0	229
Total Employees	**78**	**12**	**376**	**22**	**73**	**1**	**562**

Note: INSEE does not employ part-time employees. Therefore, all employees captured in the above tables refer to full-time employees. INSEE maintains gender-wise employee records only as detailed above. Currently, INSEE does not maintain records of total no. of employees by the employment contract, or total no. of employees by the employment contract, by region. Therefore, the above table of the total no of employees includes both full time permanent and contract employees of INSEE.

GRI 102-8 GRI 401:103-1,103-2,103-3

Year 2020	Male	Female	Total
No of Employees working outside Sri Lanka	4	0	4
No of Employees working in Sri Lanka	523	35	558

Year 2021	Male	Female	Total
No of Employees working outside Sri Lanka	4	0	4
No of Employees working in Sri Lanka	523	35	558

RECRUITMENT AND SELECTION

INSEE's Recruitment policy serves as the basis for fair and equitable recruitment of potential candidates for vacancies that arise from time to time. As an equal employment opportunity employer, all job roles are filled (whether internally or through external sources) by candidates whose background and experience best meet the requisite competencies associated with the position.

The recruitment process includes an unbiased selection mechanism based on globally accepted best practices. The Company's selection criteria follow a non-discriminatory approach and does not discriminate against applicants or employees on the basis of race, creed, color, gender, sexual orientation, age, religion, disability or national origin, or any other status protected by law. Given our stringent selection criteria, INSEE's operations are not at risk for child labor and forced or compulsory labor. During the reporting period, there were no reported incidents relating to child labor or forced / compulsory labor.

In spite of pandemic-related challenges, INSEE continued with essential recruitments in 2020 and 2021. Adopting new ways of working, interviews were conducted virtually using MS Teams, and certain assessments for candidate evaluation were done via online links provided to candidates via email.

Non-Discrimination (grounds of race, color, sex, religion, origin)	No. of Incidents	
	Year 2020	Year 2021
Incidents of discrimination during the year	0	0
Incidents where investigation by organization was completed	0	0
Incidents for which remediation plans were implemented	0	0
Total No. of incidents reported, the number that were similar in nature	0	0

ONBOARDING

INSEE considers onboarding to be a vital part of its Talent Acquisition process. Onboarding helps recruits systematically transition to INSEE's unique work ethic. All new recruits from First Management Level and above are subjected to a comprehensive 6-month onboarding program comprising four different journeys (stages): Journey 1 - Functional Induction is to help new recruits understand the primary responsibilities of their job role; Journey 2 - The 'Business Induction' to enable new employees to know how to internalize INSEE's vision and mission in their everyday tasks and activities; Journey 3 - Product Knowledge Session; Journey 4 – 'Management Talk', the final stage of the onboarding program which provides an opportunity for new recruits to connect with leadership and gain insight into perspectives.

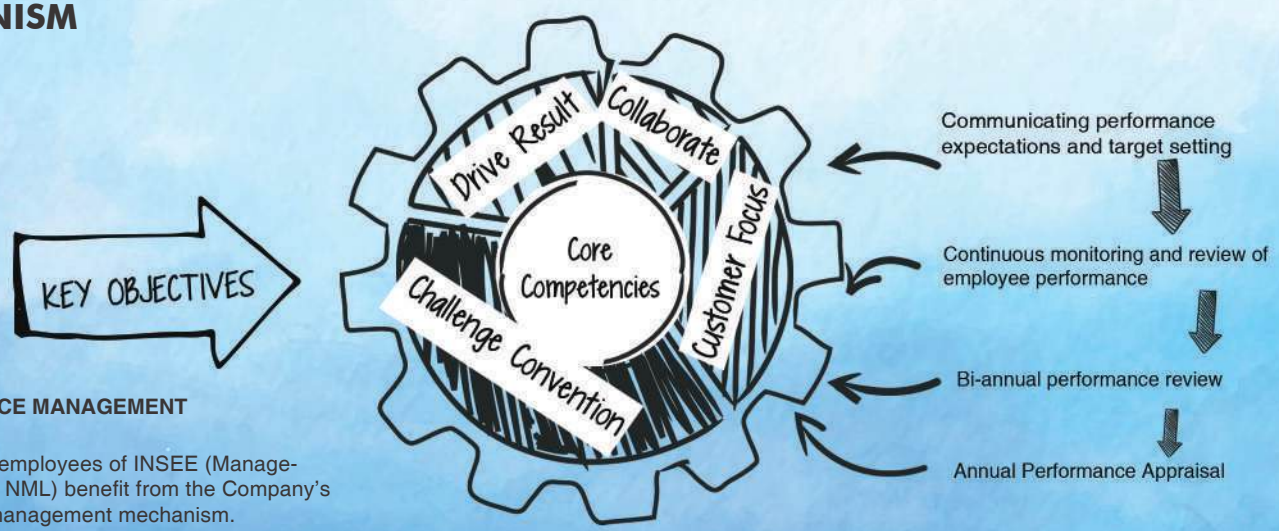
Meanwhile, Non-Management Level (NML) employees are onboarded on-site by the site HR representative and the respective functional heads under the supervision of the Plant Manager.

EMPLOYEE BENEFITS

A robust remuneration and benefits package is a fundamental component of INSEE's EVP. The Company has in place a competitive remuneration and benefits structure that is in line with best of market standards and in compliance with all applicable regulatory requirements. As an equal opportunity employer, INSEE ensures that there are no structural differences in compensation between genders and that men and women performing similar roles are remunerated equally. Remuneration structures for Management level employees have been determined based on the expectations for a particular role (level of competence, responsibility, and contribution to the Company etc.), while remuneration for Non Management Level (NML) employees are set under the collective bargaining agreement. Typically, all full-time employees of INSEE, both Management level and NML are entitled to the benefits such as health, insurance, bonuses, incentives, mobile communication, accommodation facilities at plants, meals, uniforms, relocation, recreation, transportation, training and education in addition to their basic salary.

In recognition of the challenging circumstances brought on by the pandemic, the Company's benefit structure was revisited in 2020 and 2021, with additional travel allowances and mobile reimbursements being introduced for certain employees' grades. INSEE also decided to refrain from making any salary cuts due to absences during COVID pandemic of 2020 and 2021 and all employees (Management level and Non-Management Level) were paid their dues (salaries, bonuses, and other entitlements) on time. Furthermore, the Company medical insurance cover was extended to support COVID positive employees to receive necessary medical care.

INSEE'S PERFORMANCE MANAGEMENT MECHANISM



PERFORMANCE MANAGEMENT

All permanent employees of INSEE (Management level and NML) benefit from the Company's performance management mechanism.

In addition, all employees above Middle Management Level (MML) are evaluated on their leadership competencies under three themes; empower & nurture, engage & inspire, shape & transform strategy, using the Company's HR Information System. A People Scorecard to evaluate senior leaders of the organization on four key people related objectives was introduced with effect from the 2021 performance evaluation cycle to strengthen this mechanism further. This exercise aims to enable functional heads to keep tabs on managers' performance within their respective teams in real-time. In this way, the people scorecard is also expected to serve as the foundation for integrating performance with rewards and recognition.

GRI 401-2 GRI 404-3

SUCCESSION PLANNING

In keeping with the Group level "Fit-for-Future" project, INSEE undertook broad-based succession planning efforts with the goal of building a sustainable talent pipeline for the next 3 - 5 years. As a first step, a talent review meeting was conducted under the stewardship of the EXCO to identify key roles and develop an appropriate structured succession planning framework to ensure the Company maintains a 1:1 succession ratio at all times for all key positions across the organization. This was followed by a competency assessment of all key functional roles with the results mapped against the IDP's (Individual Development Plans) of managers in these roles to determine gaps between their career progression plan and organizational strategy.

Meanwhile, a talent review exercise to gather information on NML roles was also undertaken in 2021. This was done to develop a structured talent development framework for NML employees as well.

Percentage of Employees receiving Regular Performance Reviews	Year 2020				Year 2021			
	Male	Female	Total		Male	Female	Total	
	Nos	Nos	Nos	%	Nos	Nos	Nos	%
Top Management Level	9	0	9	100%	8	0	8	100%
Senior Management Level	34	4	38	100%	33	3	36	100%
Middle Management Level	128	21	149	100%	130	20	150	100%
Front Management Level	129	11	140	100%	129	100	139	100%
Non-Management Level	0	0	0	0	0	0	0	0

LEARNING AND DEVELOPMENT

Learning and Development remain a critical component of INEE's EVP. All Company employees have access to learning interventions as appropriate for their job roles as well as development opportunities to enhance their skill set. The INSEE Academy is the key facilitator in this L&D approach. in 2020 and 2021, the INSEE Learning Academy focused on the following core projects;

• Building a special knowledge hub to serve as a channel for Group-wide knowledge sharing. The first phase which kicked off in 2021 was aimed at building and consolidating the technical knowledge at an operational level. To drive this effort, knowledge champions were appointed at both PCW and RCW to gather and document key insights regarding the technical, operational and safety aspects of the business.

• Roll out of the INSEE Learning Management System (LMS) in line with the Group initiative to promote continuous learning among FML (frontline managers) and above employees. The courses made available on the LMS were broadly categorized as Group- level, functional-level, and general content.

•Developing a Coaching culture among MML and above employees supported by a special train-the-trainer series on selected topics. In parallel, a trainer appreciation scheme was also implemented.

• Updating the technical training framework on par with the Group, with new certified technical courses for Process Performance Engineers, Preventive Maintenance Engineers and Control Room Operators, added to the existing curriculum.

• A new version of 360-degree feedback survey was introduced to holders of key positions/ value driver roles as a pilot group. The feedback, coupled with mentoring support will be used for leadership developmental purposes.

GRI 404-3 GRI 404:103-1,103-2,103-3

Employee Training Hours by gender and location (Hours)	Year 2020			Year 2021		
	Male	Female	Total	Male	Female	Total
Colombo (Colombo Head office & others)	5195.35	687.91	5883.26	2899.05	732.52	3631.57
Galle (Ruhunu Cement Plant and Galle Cement Plant)	2882.65	33.9	2916.55	3078.57	40.3	3118.87
Puttalam (Puttalam Cement Plant)	5883.39	185.56	6068.95	6447.31	940.32	7387.63
Total Training Hours	**13,961**	**907.37**	**14868.76**	**12424.93**	**1713.14**	**14138.07**
Average Training Hours Per Employee	**26**	**24**	**26**	**24**	**49**	**26**

Average Training Hours Per Employee (For all types of trainings carried out by company) (Hours)	Total	
	Year 2020	Year 2021
Top Management Level	2.7	8.2
Senior Management Level	22.2	42.2
Middle Management Level	33.7	48.5
Front Management Level	43.9	27.6
Non-Management Level	11.8	6.3
Total Average Training Hours Per Employee	**26**	**26**

Cumulative of Employment Category (Hours) - Year 2020

Training Categories	Top Management Level	Senior Management Level	Middle Management Level	Front Management Level	Non Management Level	Total	%
Leadership	0.00	68.00	488.80	393.00	21.00	970.80	7%
Safety	12.00	124.00	747.50	1522.00	1,321.00	3,726.50	25%
Technical	0.00	144.50	1,324.00	956.10	1,424.50	3,849.10	26%
Functional	0.00	93.20	549.95	469.17	12.00	1,124.32	8%
General	12.00	332.13	1,464.30	1,959.20	51.70	3,819.33	26%
Commercial	0.00	78.74	381.36	775.14	0.00	1,235.24	8%
Ecocycle	0.00	3.26	67.32	73.06	0.00	143.64	1%
Total	**24.00**	**843.83**	**5023.23**	**6147.67**	**2830.2**	**14,868.93**	
Percentage %	**0%**	**6%**	**34%**	**41%**	**19%**	**100%**	

Cumulative of Employment Category (Hours) - Year 2021

Training Categories	Top Management Level	Senior Management Level	Middle Management Level	Front Management Level	Non Management Level	Total	%
Leadership	18.00	178.00	312.50	228.75	34.00	771.25	5%
Safety	4.48	152.77	591.14	582.68	683.98	2,015.05	14%
Technical	0.00	630.20	3,443.92	943.24	572.00	5,589.36	40%
Functional	2.00	98.50	776.00	546.50	108.50	1,531.50	11%
General	41.45	430.12	1,639.59	1,097.00	52.50	3,260.66	23%
Commercial	0.00	11.50	74.00	259.50	0.00	345.00	2%
Ecocycle	0.00	16.50	436.25	172.50	0.00	625.25	4%
Total	**65.93**	**1517.59**	**7273.4**	**3830.17**	**1450.98**	**14,138.07**	
Percentage %	**0%**	**11%**	**51%**	**27%**	**10%**	**100%**	

GRI 404-1 GRI 404-2

DIVERSITY AND EQUALITY

Being part of a global organization, INSEE is committed to creating a diverse workplace where all employees are treated with respect and dignity. These principles are cascaded down across the Company's HR processes and apply to every stage of the employment lifecycle covering recruitment selection, remuneration, promotion, training, as well as resignation and exit. All leaders across the organization are expected to emulate the appropriate behaviors in their day-to-day work to demonstrate the principles of fairness, equality, and the respectful treatment of colleagues.

Despite offering equal pay and other equal opportunities to both men and women performing similar roles, INSEE's workforce at the plant level continues to be predominantly male-dominated and although females comprise more than 6 per cent of the administrative cadre, on an overall basis INSEE's gender ratio continues to remain highly skewed towards males at 94 per cent.

Employees Hires

New Employee Hires by age, gender and location - Year 2020

New Employee Hires	Employees, aged Below 30		Employees, aged Between 30 and 50		Employees, aged Above 50		Total		Total (Nos)	%
	Male	Female	Male	Female	Male	Female	Male	Female		
INSEE Colombo Head office & Other offices	6	1	5	0	1	0	12	1	13	52%
Puttalam Integrated plant (Puttalam cement plant and Aruwakkalu Quarry)	0	0	0	0	12	0	12	0	12	48%
Ruhunu Cement Plant	0	0	0	0	0	0	0	0	0	0%
Galle Cement Plant	0	0	0	0	0	0	0	0	0	0%
Colombo Terminal	0	0	0	0	0	0	0	0	0	0%
Warehouses (Colombo, Kurunegala and Trincomalee)	0	0	0	0	0	0	0	0	0	0%
Total	**6**	**1**	**5**	**0**	**13**	**0**	**24**	**1**	**25**	**100%**

New Employee Hires by age, gender and location - Year 2021

New Employee Hires	Employees, aged Below 30		Employees, aged Between 30 and 50		Employees, aged Above 50		Total		Total (Nos)	%
	Male	Female	Male	Female	Male	Female	Male	Female		
INSEE Colombo Head office & Other offices	6	1	7	0	0	0	13	1	14	42%
Puttalam Integrated plant (Puttalam cement plant and Aruwakkalu Quarry)	1	0	1	0	17	0	19	0	19	58%
Ruhunu Cement Plant	0	0	0	0	0	0	0	0	0	0%
Galle Cement Plant	0	0	0	0	0	0	0	0	0	0%
Colombo Terminal	0	0	0	0	0	0	0	0	0	0%
Warehouses (Colombo, Kurunegala and Trincomalee)	0	0	0	0	0	0	0	0	0	0%
Total	**7**	**1**	**8**	**0**	**17**	**0**	**32**	**1**	**33**	**100%**

GRI 401-1 GRI 405:103-1,103-2,103-3

Employees Resigned

Employees Resigned by age, gender and location - Year 2020										
Employees Resigned 2020	Employees, aged Below 30		Employees, aged Between 30 and 50		Employees, aged Above 50		Total		Total (Nos)	%
	Male	Female	Male	Female	Male	Female	Male	Female		
INSEE Colombo Head office & Other offices	9	2	20	2	5	1	34	5	39	41%
Puttalam Integrated plant (Puttalam cement plant and Aruwakkalu Quarry)	1	0	3	1	27	0	31	1	32	34%
Ruhunu Cement Plant	2	0	1	0	1	0	4	0	4	4%
Galle Cement Plant	0	0	1	0	0	0	1	0	1	1%
Colombo Terminal	0	0	15	0	4	0	19	0	19	20%
Warehouses (Colombo, Kurunegala and Trincomalee)	0	0	0	0	0	0	0	0	0	0%
Total	**12**	**2**	**40**	**3**	**37**	**1**	**89**	**6**	**95**	**100%**

Employees Resigned by age, gender and location - Year 2021										
Employees Resigned 2021	Employees, aged Below 30		Employees, aged Between 30 and 50		Employees, aged Above 50		Total		Total (Nos)	%
	Male	Female	Male	Female	Male	Female	Male	Female		
INSEE Colombo Head office & Other offices	2	1	6	0	1	0	9	1	10	33%
Puttalam Integrated plant (Puttalam cement plant and Aruwakkalu Quarry)	0	0	2	0	17	0	19	0	19	63%
Ruhunu Cement Plant	0	0	0	0	1	0	1	0	1	3%
Galle Cement Plant	0	0	0	0	0	0	0	0	0	0%
Colombo Terminal	0	0	0	0	0	0	0	0	0	0%
Warehouses (Colombo, Kurunegala and Trincomalee)	0	0	0	0	0	0	0	0	0	0%
Total	**2**	**1**	**8**	**0**	**19**	**0**	**29**	**1**	**30**	**100%**

Employees Retired

Employees Retired by age, gender and location - Year 2020										
Employees Retired 2020	Employees, aged Below 30		Employees, aged Between 30 and 50		Employees, aged Above 50		Total		Total (Nos)	%
	Male	Female	Male	Female	Male	Female	Male	Female		
INSEE Colombo Head office & Other offices	0	0	0	0	0	0	0	0	0	0%
Puttalam Integrated plant (Puttalam cement plant and Aruwakkalu Quarry)	0	0	0	0	5	0	5	0	5	83%
Ruhunu Cement Plant	0	0	0	0	0	0	0	0	0	0%
Galle Cement Plant	0	0	0	0	0	0	0	0	0	0%
Colombo Terminal	0	0	0	0	1	0	1	0	1	17%
Warehouses (Colombo, Kurunegala and Trincomalee)	0	0	0	0	0	0	0	0	0	0%
Total	0	0	0	0	6	0	6	0	6	100%

Employees Retired by age, gender and location - Year 2021										
Employees Retired 2021	Employees, aged Below 30		Employees, aged Between 30 and 50		Employees, aged Above 50		Total		Total (Nos)	%
	Male	Female	Male	Female	Male	Female	Male	Female		
INSEE Colombo Head office & Other offices	0	0	0	0	1	0	1	0	1	10%
Puttalam Integrated plant (Puttalam cement plant and Aruwakkalu Quarry)	0	0	0	0	8	0	8	0	8	80%
Ruhunu Cement Plant	0	0	0	0	1	0	1	0	1	10%
Galle Cement Plant	0	0	0	0	0	0	0	0	0	0%
Colombo Terminal	0	0	0	0	0	0	0	0	0	0%
Warehouses (Colombo, Kurunegala and Trincomalee)	0	0	0	0	0	0	0	0	0	0%
Total	0	0	0	0	10	0	10	0	10	100%

NEW HIRED AND TURNOVER

New Hires and Turnover	Year	Employees, aged Below 30		Employees, aged Between 30 and 50		Employees, aged Above 50		Total		Total	Percent-age %
		Male	Female	Male	Female	Male	Female	Male	Female		
Total New Hires who left during the Year	2020	0	0	1	0	4	0	5	0	5	20%
	2021	0	0	1	0	6	0	7	0	6	18%

EMPLOYEE DIVERSITY

Employee Diversity Year 2020										
Employee Diversity 2020	Employees, aged Below 30		Employees, aged Between 30 and 50		Employees, aged Above 50		Total		Total (Nos)	%
Full Time Permanent Employees only*	Male	Female	Male	Female	Male	Female	Male	Female		
Top Management Level	0	0	5	0	4	0	9	0	9	2%
Senior Management Level	0	0	30	4	4	0	34	4	38	7%
Middle Management Level	22	7	101	13	5	1	128	21	149	26%
Front Management Level	40	9	82	2	7	0	129	11	140	24%
Non-Management Level	37	1	149	1	51	0	237	2	239	42%
Total	**99**	**17**	**367**	**20**	**71**	**1**	**537**	**38**	**575**	**100%**

Employee Diversity Year 2021										
Employee Diversity 2021	Employees, aged Below 30		Employees, aged Between 30 and 50		Employees, aged Above 50		Total		Total (Nos)	%
Full Time Permanent Employees only*	Male	Female	Male	Female	Male	Female	Male	Female		
Top Management Level	0	0	5	0	3	0	8	0	8	1%
Senior Management Level	0	0	29	3	4	0	33	3	36	6%
Middle Management Level	20	4	105	15	5	1	130	20	150	27%
Front Management Level	34	8	88	2	7	0	129	10	139	25%
Non-Management Level	24	0	149	2	54	0	227	2	229	41%
Total	**78**	**12**	**376**	**22**	**73**	**1**	**527**	**35**	**562**	**100%**

Total Third-Party Contract Workers by gender and location - Year 2020				
Third-Party Contract Workers 2020	Total		Total (Nos)	%
	Male	Female		
INSEE Colombo Head office & Other offices	108	7	115	6%
Puttalam Integrated plant (Puttalam cement plant and Aruwakkalu Quarry)	674	0	674	34%
Ruhunu Cement Plant	120	5	125	6%
Galle Cement Plant	41	0	41	2%
Colombo Terminal	47	0	47	2%
Warehouses (Colombo, Kurunegala and Trincoma-lee)	114	0	1002	50%
Total	**1104**	**12**	**2004**	

Total Third-Party Contract Workers by gender and location - Year 2021				
Third-Party Contract Workers 2020	Total		Total (Nos)	%
	Male	Female		
INSEE Colombo Head office & Other offices	117	10	127	10%
Puttalam Integrated plant (Puttalam cement plant and Aruwakkalu Quarry)	750	18	768	62%
Ruhunu Cement Plant	124	5	129	10%
Galle Cement Plant	41	0	41	3%
Colombo Terminal	49	0	49	4%
Warehouses (Colombo, Kurunegala and Trincoma-lee)	131	0	131	11%
Total	**1212**	**33**	**1245**	

With effect from 2020 HR teams have started tracking the Third Party Contractor (TPC) personnel counts per location on a monthly basis for safety and compliance purposes. This location wise TPC count is tabled at the monthly EXCO meeting.

It should be noted that RCW and GCW have also commenced more detailed tracking of the gender wise and age wise distribution among the TPC employees. However other locations are yet to start detailed tracking of this nature. Therefore, for the purpose of the 2020 - 2021 sustainability report, only the location-wise total TPC count has been included.

GRI 102-8 GRI 405-1

Non-Discrimination (grounds of race, color, sex, religion, origin)	Year 2020	Year 2021
Incidents of discrimination during the year	0	0
Incidents where investigation by organization was completed	0	0
Incidents for which remediation plans were implemented	0	0
Total No. of incidents reported, the number that were similar in nature	0	0

EMPLOYEE RELATIONS (INDUSTRIAL RELATIONS)

INSEE has always strived to develop mutually beneficial relationships with employees based on trust. To reinforce this commitment, the Company complies fully with the provisions of the law with regard to the terms of employment. Going beyond compliance, the Company has also adopted the universal principles and norms that protect human rights in employment, as specified in the UN Global Compact (UNGC) and the declarations of the International Labor Organization (ILO), including, among other matters, with respect to the freedom of association and the freedom to conduct collective negotiations. Recognizing the employees' right to unionize and engage in collective bargaining, INSEE continues to work with employee unions to maintain a fair and transparent collective bargaining process. The current collective agreement covers mainly plant level NML employees who make up 26.5 per cent of INSEE's total cadre. The agreement was last renewed as of 1st January 2019 and remains valid for a further 3 years from this date.

The Company has appointed a dedicated Industrial Relations Manager to serve as the primary liaison between union representatives and INSEE's management. This holistic approach has ensured that INSEE's operations are not at risk of violating employee rights to freedom of association and collective bargaining.

Violations of Freedom of Association in Operations	2020	2021
Total Number of Employees (Nos)	575	562
No. of Employees covered under Trade Unions (formally and informally) (Nos)	182	149
Percentage of Total Employees covered under Trade Unions	31.65%	26.50%

GRIEVANCE HANDLING

INSEE maintains an open-door policy that encourages employees to reach out to their immediate supervisor or even the EXCO if needed. This policy applies across the organization and at all levels of the business. In addition, a grievance procedure has been established to provide employees with the opportunity to formally express grievances and have them resolved in a fair, equitable and prompt manner. The grievance procedure which has been incorporated in the Employee Code of Conduct sets out detailed guidelines to assist employees in escalating and informs them of the impartial review process and expected timelines for resolution. The Company's whistleblower policy meanwhile serves as a channel to anonymously report any financial irregularities or misappropriations, without fear of retribution.

Faced with the COVID-19 pandemic related challenges in 2020 and 2021, the following new mechanisms were introduced to allow employees to raise concerns;

- Quarterly Town hall meetings for plant teams
- Skip level meetings across all administrative functions
- Bi-monthly HR Clinic to facilitate more frequent communications between the Head of HR Manager, Industrial Relations Manager and Union Representatives
- Implemented a chatbot on INSEE's internal social media platform - Workplace by Facebook

EMPLOYEE ENGAGEMENT

INSEE has always allocated high priority to promoting greater employee engagement both at the workplace as well as outside in a more informal setting.

The most notable engagement activity for the period of 2020-21 was the Engagement Survey conducted in the early part of 2021 and then at the end of 2021 to assess the level of employee engagement. Paper-based surveys in Sinhala and Tamil were used to obtain the views of NML employees, while all other employees were engaged using an online form.

In total, the survey registered an 96% employee participation rate across the organization. In the interest of maintaining impartiality, the survey was administered by an independent third party.

Meanwhile, with the COVID-19 pandemic preventing physical gatherings, a series of new engagement activities were developed and rolled out on digital platforms. Key highlights in this regard include; the "Quiz it up", an interactive virtual quiz program run in English and Sinhala, virtual cricket an online gaming activity and the virtual talent search for children of employees. Other notable initiatives included the "Happy Mind", online mindfulness sessions providing psychological support to help employees cope with the pandemic related stress and the wellness challenge in partnership with Ayubo Life to encourage employees to remain physically active.

The long service awards, was held in Colombo in December 2021 with limited numbers attending in line with prevailing COVID guidelines

FUTURE GOALS AND TARGETS (QUANTITATIVE AND QUALITATIVE)

GOALS AND TARGETS	PROGRESS ON 2020 & 2021 TARGETS
Develop an online tool to seamlessly integrate rewards and recognition.	Completed
Enhance the Learning and Development model in line with Group standards.	Completed
Develop certified train-the-trainer programmes for selected disciplines.	Partly Completed
Launch an 'HR Bot' as a feature of Workplace by Facebook in order to enable employees to resolve their queries online and in real time.	Completed
Develop a structured succession planning mechanism for NML employees at plants	Partly Completed
Quiz it Up! Virtual Quiz challenges in line with the concept of 'Edutainment'	Completed
Group Employee Engagement survey & results to action in 2021.	Completed
Improve gender balance at the plants.	Ongoing
Launch the INSEE volunteer scheme to holistically develop employee capacity and promote responsible citizenship.	Pending
Develop the Management Trainee programme to increase internship opportunities for undergraduates	Pending

CUSTOMERS

MANAGEMENT APPROACH

Cement Business

INSEE adopts a targeted approach to address customer needs and to build customer relationships. This approach has been established after comprehensive customer profiling to categorize customers into various segments, based on the interactions with the Company. INSEE identified two distinct customer segments for its products and solutions - End Consumers and Key Influencers. The Company has implemented a tailored approach to manage each segment.

Management Approach - End Consumer

INSEE strives to develop and produce the best-in-class product portfolio to meet the diverse needs of end consumers such as individual home builders, contractors, and developers and builders of infrastructure and commercial projects. INSEE is currently the only local company that produces both Blended Cement as well as traditional Ordinary Portland Cement for a wide range of applications and solutions under each category. The Company's portfolio also includes a range of Ready-Mixed (RMX) concrete solutions entirely produced with blended cements for the modern construction industry. The Company's commitment to producing the best-in-class cement products and RMX concrete applications is driven by four fundamental principles.

- Compliance - All INSEE products comply with SLS (Sri Lanka Standard) regulatory codes for cement products produced and marketed in Sri Lanka.
- Best Practices - INSEE voluntarily benchmarks globally accepted best practices such as ISO 9001 Quality Management System, ISO 14001, Environmental Management Systems, ISO 45001 Occupational Health and Safety Management System and ISO 50001 Energy Management System Standards, to provide further assurance that the Company's manufacturing processes are aligned to international quality standards and sustainable production principles.
- Innovation - INSEE conducts ongoing research to identify customers' needs and seeks to respond to these needs by expanding its product portfolio with the inclusion of innovative first-to-market products and products with an industry benchmarking low carbon footprint.
- Awareness - Regular marketing and promotional activities aimed at building top-of-mind awareness among end consumers.

INSEE's RMX Product and Solutions Portfolio with Key Value Proposition	
INSEE Flow	Improve constructability, High productivity, self levelling, self-compacting, reduced skilled labour and cost, reduced equipment wear, silent construction
INSEE Cool	low carbon footprint, low fresh concrete temperature, improved workability, temperature control for mass concrete
INSEE HiPer	High durability, high strength, high service life and economic design.
INSEE Pile	High stability, easy placing, low temperature, high productivity
INSEE Color	Stay true colour, large colour selection, free plastering, and painting
INSEE Right	Economic, ecologic, superior strength, easy placing
INSEE Rapid	High early strength, fast demolding, high productivity
INSEE Lite	Reduced dead loads, saving in foundations and reinforcement, improved fire resistance and thermal properties
INSEE Sanstha Crete	Improved workability, superior strength, improved constructability, and cost
INSEE Thru	Reduces high cost for storm water collection and detention systems, eliminate untreated storm water with zero runoff, reduces heat island effects, environmentally friendly
INSEE Anti Wash	High stability under water, self-consolidation, high durability
INSEE Control	Limited shrinkage cracking, low permeability, high durability

Management Approach - Key Influencers

Key influencers who promote the Company's products to end consumers include masons, contractors, architects, technical officers and engineers. The network of retail and wholesale distributors is also considered under the influencer category.

Given that each plays an important role in enabling the Company's products and solutions to reach the end consumer, INSEE considers it vitally important to educate key influencers regarding the Company's product and solutions portfolio and the versatility of each product. In this regard, INSEE undertakes influencer marketing initiatives for engineers, masons, technical officers, etc. Such efforts are typically structured as capacity building programs usually coupled with special awareness sessions to educate these target groups on the Company products and solutions. Often, these awareness and educational sessions are conducted in collaboration with an administrative body or association, for example. Vocational Training Institute, CIDA, CESL, SSESL, or international NGOs such as GIZ, etc.

Ecocycle Operation

INSEE's Ecocycle operation executes its customer mandate to provide waste management solutions for organizations. Since pioneering its sustainable waste management model over 18 years ago, Ecocycle has since evolved to become Sri Lanka's leading B2B waste management solutions provider and only player in the market offering fully integrated end-to-end waste management solutions for corporate and government authorities.

All INSEE Ecocycle facilities are compliant with ISO 9001:2015 for quality management systems, ISO 14001:2015 for environmental management systems, and ISO 45001:2018 for occupational health and safety management systems, with the INSEE Ecocycle laboratory located in Puttalam accredited with ISO 17025:2017 for analytical testing purposes.

COMMITMENT TO QUALITY

The promise of superior quality products is at the heart of INSEE's customer value proposition. For INSEE, this means going beyond the conventional approach of ensuring manufacturing consistency, measuring quality against a broad range of parameters, including the health and safety impacts of its products and the efficacy of its marketing and labelling activities.

Health and Safety of Products

As the leading cement manufacturer in Sri Lanka, INSEE considers it a duty to lead by example in setting the benchmark for product safety. To uphold this commitment, the Company aims to develop products that are safe and free of substances that are harmful to human health and wellbeing. Accordingly, the regulatory requirements stated by SLSI in standards of SLS 107, SLS 1253, SLS 1247, and SLS 1697, together with the BS EN 197-1 Cement Standard, are mandatory compliance requirements for all INSEE products.

Being part of the broader Siam City Group, INSEE also adheres to Group-wide standards, which are based on globally accepted safety science best practices and safety design principles for product development and onward to every stage of the product life cycle, from manufacture, storage, transport, promotion, to sale and use.
In practice, the Company's safety protocols begin at the procurement stage, where quality assurance teams perform necessary due diligence to confirm the authenticity of raw material sources against INSEE's procurement principles. State-of-the-art testing facilities are in place at each plant where raw materials such as clinker and other cementitious materials are subject to rigorous testing to measure their chemical profiles and physical attributes against regulatory standards defined by SLSI as well as the Company's own benchmark technical parameters. All data and findings are captured in the Company's fully automated quality control mechanism, which tracks downstream quality parameters.

INSEE further strives to reduce the risk of harm by taking proactive steps to anticipate and mitigate potential risks. In this regard, the Company continues to work with customers, mainly key influencers, to identify potential areas where safety can be further improved across the product lifecycle. Various programs conducted at the INSEE's i2i Collaboration Space also provide opportunities for greater collaboration among industry stakeholders to augment the Company's product safety initiatives. The company's internal teams' research and ideation also focus on continuously refining INSEE's products to make them safer and less harmful for use. The research focus for 2020 and 2021 was to expanding INSEE's composite cement range. Composite cements, which have a significantly lower carbon footprint than the conventional OPC variety, account for approximately 2% of INSEE's total product portfolio. INSEE's newest product - INSEE Sanstha Composite Cement, as per the latest SLSI 1697, launched in 2021, is the result of the research done during these two years.

During the reporting year, there were no incidents of non-compliance with product safety guidelines and no regulatory fines were imposed against the Company for this reason.

Marketing and Labelling

All INSEE's cement products are subject to the labeling requirements set out under the respective SLSI product code as well as all other special labelling instructions applicable to certain product categories. Accordingly, the Company's labelling contains all required information describing product attributes, operating instructions and any other information to avoid accidental misleading or incomplete identification.INSEE's labels also include instructions on responsible disposal of packaging materials. The Company's marketing and promotional material is developed in conformity with all mandatory national disclosure requirements and transparency best practices. In general, all promotional information is designed and published in English, Sinhala and Tamil. Additionally, localized communication campaigns are conducted based on regional or language preferences. In 2020 and 2021, promotional activities were done mainly on digital mediums as all below-the-line promotional and marketing activities were discontinued due to pandemic related restrictions. Mass media advertising however continued as per usual in 2020 and 2021.

During the reporting year, there were no incidents of non-compliance with regulations and/ or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship.

GRI 102-6 GRI 102-11 GRI 416:103-1,103-2,103-3 GRI 416-1 GRI 417:103-1,103-2,103-3 GRI 417-1 GRI 417-3

CUSTOMER ENGAGEMENT INITIATIVES

INSEE to Develop Leadership and Soft Skill Competencies of Senior RDA Engineers

INSEE entered into a Memorandum of Understanding (MoU) with the Road Development Authority (RDA) of Sri Lanka and the Colombo School of Business and Management (CSBM), to conduct technical training sessions to develop soft skill competencies of over 200 Senior RDA Engineers across Sri Lanka.

With the signing of this MoU, INSEE will collaborate with CBSM to conduct tailored technical and soft skills development sessions over a two month period at the INSEE i2i Collaboration Space, a dedicated center of excellence that develops and promotes new products and solutions for the building and construction industry.

INSEE signs MoU with North Central Provincial Council extending Technical Officers Skills Development Programme

INSEE Cement Sri Lanka signed a Memorandum of Understanding (MoU) with the North Central Provincial Council, thereby undertaking to implement its skill development program to facilitate training sessions for 200 TOs in the region within a period of six months. The skills development program is designed to enhance local construction industry standards through up-skilling and increasing the knowledge base of these officers in the fields of government procurement, quality control of construction material, types of testing, construction management, safety, cement and concrete usage, as well as green building codes.

The North Central Province is the 6th Province in which INSEE has successfully rolled out its To program

INSEE Cement continues investment in Mason development accross Sri Lanka through the launch of "INSEE Sathakara"

The INSEE Sathkara initiative facilitates empowerment and development through up-skilling, social recognition and financial stability, an all-round approach that has successfully nurtured a new generation of masons that are fast adaptable to industry demands through newly developed skill sets, knowledge and capacities.

INSEE recognizes top performing Business Partners at Annual Awards Ceremony 2021

INSEE hosted its top performing Business Partners at the annual INSEE Business Partner Awards 2021, recognizing and rewarding regional and national Business Partners for their sales performance during the pandemic-hit 2020.

The awards night hosted under the patronage of the company's Chairman and its Executive Committee was held under strict COVID-19 guidelines and with restricted guest capacity to ensure the health and safety of all present at the celebration.

Influencer Group	Program scope and participation	Year 2020	Year 2021
Engineers	Continuous Professional Development Programs, Knowledge sharing sessions i2i Knowledge Sharing Sessions, PCW Plant Visits,Sponsorships & AGMs	220 Engineers engaged for the year under the Covid-19 restrictions	150~200 Key Engineers knowledge sharing sessions on Portland Composite Cement (PCC) Launch through online sessions
Technical Officers	i2i & Plant Visits,Upskill Programs, Knowledge Sharing Sessions,Sponsorships & AGMs	770 Technical Officers engaged through upskill programs	500~600 TOs engaged through online knowledge sharing sessions on PCC Launch
Masons	On Site Visits,Mason Chats, Mason Meets,ICS Meets, NVQ Programs,	Covered almost 3,300 Masons through various platforms of up-skill and event modes	Engaged with 5,250 Key ICS Masons On-Call Conference to awareness on PCC Cement (with TSE)
Contractors	CCD Upskill Programs Sponsorships & AGMs Mini Contractors Meets	820 Key Contractors engaged with the collaboration of NCASL association and mini contractor	Engaged with 525 Key contractors under provincial level
Distributors	Business Partner Performance Reviews Business Partner Awards	Rewarded the Performance based BPs in Regional & National Categories witnessed 80 BPs from both retail brands	Rewarded the Performance based BPs in Regional & National Categories witnessed 80 BPs from both retail brands

MANAGING CUSTOMER COMPLAINTS

Complaint Management Process

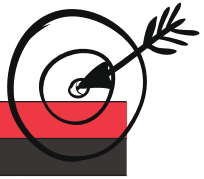
Complaints are handled through a highly streamlined case management process that aims to ensure 100% customer satisfaction. The Case Management approach is applied to complaints pertaining to Product Experience, Product Applications, Logistics, Services, Finance, Environment, and Manufacturing related areas and covers all complaints received via Email, Fax, letter, social media, hotline, or in person.

As per the case management process, a case file is opened in the system where an auto generated case number is assigned before being directed to the appropriate case owner. A system generated email notification informs the respective case owner of the complaint.

At the case owner's discretion, the complaint is then reassigned to the relevant person via a system-generated email. All cases, without exception are investigated with the intention of providing a satisfactory solution to the stakeholder. Where applicable a detailed root cause analysis is to be carried out. Post Investigation, the derived solution is communicated to the respective stakeholder/ customer. Investigation findings and stakeholder communication are recorded in the system. Thereafter a request is to be sent to Customer Experience Manager (CEM) to close off the case. Each respective case owner is required to furnish a monthly report with regard to the status of their respective Cases. Monthly updates on the status cases are shared at the Quality Circle meeting and with EXCO (Executive Committee). The report includes;

- No of cases by case type with case highlights, where relevant
- Cumulative open vs resolved cases
- Age Analysis of unresolved cases

An NPS study is conducted using a random sample every four months to measure customer satisfaction regarding complaint resolution.



GOALS AND TARGETS	
PROGRESS ON 2020 & 2021 TARGETS	
Prioritize the development of products with low carbon footprint	Ongoing
Enhance the product portfolio through the launch of products for diverse environmental conditions	Ongoing
Invest in a new CRM and ordering system to standardize the O2C and plus post-sales processes in line with the broader Group	Pending
GOALS AND TARGETS FOR 2022 AND BEYOND	
Continued focus on maintaining #1 market position achieve aspirational volumes	
Launch of new products starting with Mortar and Steel and INSEE Branded Retail Outlets	
Increasing RMX base through RMX Expansion Plan	
Enhanced focus on digitalization & branding	

GRI 102-6

SUPPLIERS

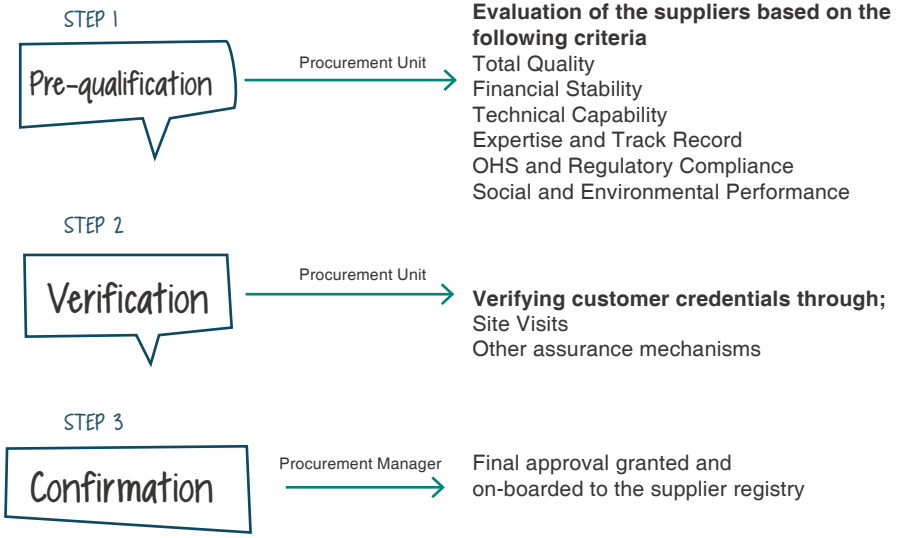
MANAGEMENT APPROACH

Suppliers are a vital component of INSEE's value chain. A reliable and high-quality supplier network ensures an uninterrupted supply of raw materials to facilitate the continuity of the Company's manufacturing operations. As such, INSEE's supply chain management approach seeks to build strong, sustainable relationships with key suppliers and service providers.

As a first step towards building trust, INSEE's Procurement Policy sets out clear guidelines regarding the management of supplier relationships and the conduct of procurement activities. In this regard, the Procurement Policy dictates that the Company works only with those who share the same business principles and ethical standards as INSEE. To facilitate this, the Company maintains a supplier registry which is updated annually, to take into account, new suppliers. New suppliers are required to submit comprehensive proposals in support of their application to be considered for being included in the supplier registry.

For this purpose, the Company has made available a standardized set of guidelines to assist suppliers in preparing their proposals. Included in the guidelines is a clause mandating all new suppliers to furnish a social and environmental self-assessment declaration as part of their submissions.

Supplier Screening and Selection Process



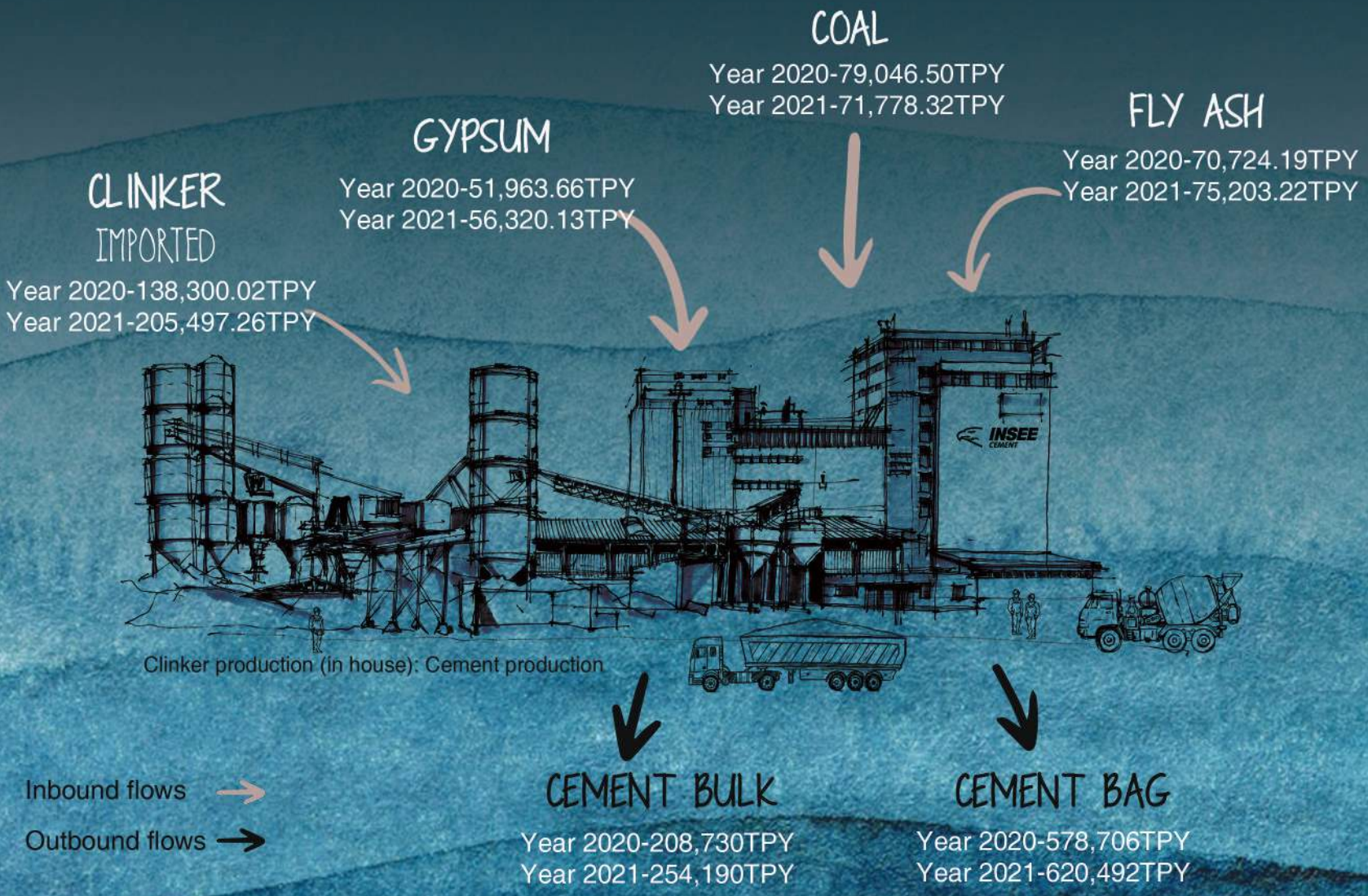
Supplier Assessments (Nos)	Year 2020	Year 2021
Total New Suppliers introduced during the year	172	220
New Suppliers that were assessed for Environmental Practices	1	1
New Suppliers that were assessed for Social Practices	0	0

GRI 204:103-1,103-2 GRI 308-1 GRI 414-1

SUPPLIER PROFILES

Inbound & Outbound Material Portfolio

2020 and 2021 PCW Inbound and Outbound Material Portfolio - Flows/Valumes (inhouse production)



GRI 102-9 GRI 204:103-3

2020 and 2021 RCW Inbound and Outbound Material Portfolio - Flows/Valumes cement in both RCW+GCW (inhouse productions)

GRI 102-9 GRI 204:103-3

INSEE's supply chain is made up of a combination of local and overseas suppliers. Raw materials such as clinker, gypsum, slag, coal; machinery, and spare parts, are all imported from overseas suppliers. Relationships with these global suppliers are managed at a Group level by the trading arm of Siam City Cement Public Company Limited

INSEE Cement is Sri Lanka's Thai-based parent. In 2020 and 2021, the Company procured raw materials from overseas suppliers in Indonesia, Pakistan, Thailand, UAE, India, Japan, Oman, Scandinavian countries, and Europe.

	Year 2020	Year 2021
Total No. of Suppliers	1450 Nos	1600 Nos
No. of overseas suppliers	210 Nos	218 Nos
No. of local suppliers	1240 Nos	1382 Nos
Total Procurement Spend	23.84 Billion	35.4 Billion
Total Procurement Spend vs. Revenue	70%	79%
Amount spent on local suppliers	57%	54%

Meanwhile, raw materials such as Calcite, Dolomite, Laterite, Fly Ash, etc. are sourced from local supplier networks across the Country. Other necessary services such as transport, logistics, infrastructure, energy, packaging material, maintenance services etc. are also procured from service providers based in Sri Lanka. Local vendors who provide these key resources are classified as Strategic Suppliers based on the following criteria;

- Purchase value exceeding LKR 5 million
- Recurrent purchases of goods and services over a period of twelve months,
- Any service resulting in complex technical or safety requirements upon confirmation by the respective Project Manager/OHS Manager,
- Service contracts involving labour, if the duration is more than six months or fulfills the requirements of Contractor Safety Management Directive (CSMD) criteria, Any agreement involving lands, property, vehicles, plants, and machinery.

All such Strategic Suppliers are contracted for a minimum of 2 years and are required to sign a formal contract indicating their agreement to comply with the terms set out under the INSEE Supplier Code of Conduct. Additionally, social and environmental considerations have also been incorporated into the Standard Contract template to ensure all strategic supplier adopt environmental, health, safety, employment, and anti-corruption principles and comply with relevant standards and legislation within their respective businesses.

Strategic suppliers contracted for two or more years account for almost 70% of INSEE's local suppliers base, making them a predominant feature of INSEE's supply chain

Supplier Relationship Status	Year 2020	Year 2021
Less than 2 years	25.8%	23.8%
2 - 5 years	25.7%	15.7%
More than 5 years	48.5%	60.5 %

While there were no significant changes to INSEE's local supply networks in 2020, in 2021, 14 new strategic suppliers were added under the logistics contract category.

Strategic Supplier Categories - Percentage (%)	Year 2020	Year 2021
Service Contract	34%	37%
Labour Contract	12%	11%
Logistics Contract	25%	21%
IT Contract	11%	9%
Materials	18%	22%

EMPHASIS ON QUALITY

A framework of routine due diligence protocols supports INSEE's efforts to safeguard the quality of its supply chain. These due diligence activities aim to ensure that the Company's strategic suppliers continue to comply with the contractual obligations stipulated under INSEE's Supplier Code of Conduct. Carried out under the purview of the Company's Procurement Unit, the framework of due diligence procedures includes random site visits and scheduled annual supplier audits.

GRI 102-10 GRI 204-1 GRI 204:103-3 GRI 308:103-1,103-2,103-3

Apart from this, INSEE has separate schedule verification procedures to continuously assess the social and environmental performance of its strategic supplier base. The framework of due diligence activities also serves as the basis for assigning a holistic risk profile to each supplier.

As per the due diligence reports for 2020 and 2021, 40% of the Company's Strategic suppliers received a low-risk rating under 1 – working outside INSEE and 2- working at INSEE categories, which testifies to the quality and reliability of INSEE's supply chain.

Supplier Assessments (Numbers)	Year 2020	Year 2021
Total Significant Suppliers	25 Nos	25 Nos
Significant Suppliers that were audited for Environmental Practices	0	0
Significant Suppliers that were audited for Social Practices	0	0

SUPPLIER DEVELOPMENT

Developing suppliers by creating new opportunities is part and parcel of INSEE's supply chain management strategy.

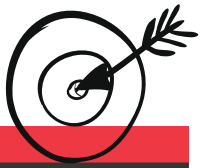
Ensuring supplier alignment with the Company's compliance standards is a big part of the overall supplier development approach. In 2020, INSEE further upgraded its supplier compliance framework by expanding the scope of its CSMD (Contractor Safety Management Directive) applicable to strategic suppliers. As part of the new changes, the compliance thresholds were revised to drive higher safety standards among all strategic suppliers. This was accompanied by a series of workshops and additional support from the Procurement Unit to assist strategic suppliers in complying with the new thresholds.

Moving to the next phase of its supplier development strategy in 2021, INSEE invested in a digital transport management system to monitor the performance of strategic suppliers, with the first phase being rolled out for logistics operators. The new software - ITX 360 creates a platform to offer online real-time visibility of the suppliers' performance including their CSMD compliance record. In parallel, a comprehensive assessment framework was also launched to evaluate how strategic suppliers were adapting to the new compliance requirements. Based on the assessment findings, suppliers found to be in compliance with the new CSMD thresholds were appropriately recognized, while those deemed non-compliant were provided additional training to help them understand their shortcomings and enable them to take necessary corrective action to reinstate their compliance status.

Among the other notable supplier development initiatives for 2020 and 2021, was INSEE's efforts to find innovative solutions to enable its bag suppliers to introduce eco-friendly packaging alternatives.

Supplier Contract Employment Opportunities	Year 2020	Year 2021
Direct Employment – number of workers	1900 Nos	2100 Nos
Indirect Employment – number of workers	4500 Nos	5500 Nos

Future Goals and Targets (Quantitative and Qualitative)



GOALS AND TARGETS	
PROGRESS ON 2020 & 2021 TARGETS	
Prioritize the development of products with low carbon footprint	Ongoing
Strengthen the supplier recognition framework through the launch of a structured supplier appreciation program	Completed
Digital platforms for linking the Company and its suppliers to streamline operations and enhance value creation capacity	Completed
Increase the spend on local suppliers by developing their capabilities and competencies	Ongoing
GOALS AND TARGETS FOR 2022 AND BEYOND	
Reduced loaded kilometers driven on the road.	
Establish rail-road hybrid transportation.	
Digitalize logistics experience in Supply chain.	

GRI 308-2 GRI 414-2 GRI 414:103-1,103-2,103-3

LOCAL COMMUNITIES

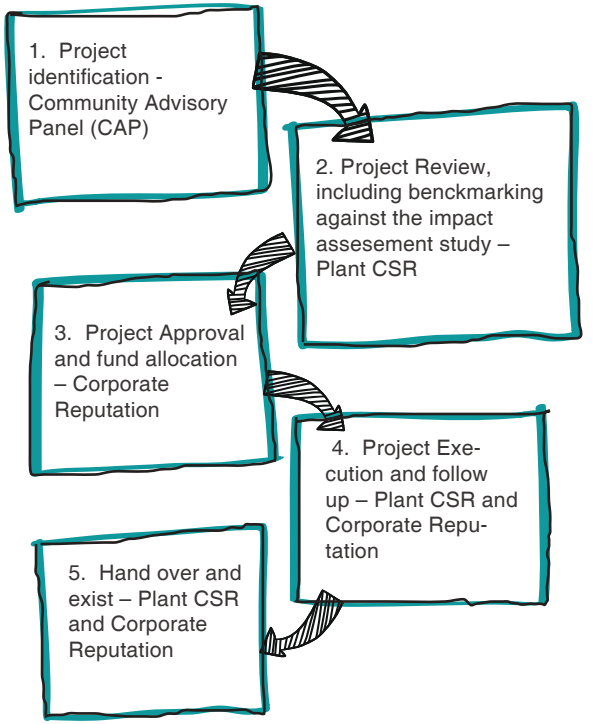
MANAGEMENT APPROACH

INSEE's fundamental approach towards local communities is based on delivering meaningful and lasting change for all socially and economically disadvantaged communities across Sri Lanka via three key community pillars; Livelihood Development, Education and Clean Water & Sanitation.

The Livelihood Development and the Clean Water & Sanitation pillars seek to address the immediate and most pressing needs of grass root level communities in and around INSEE's operating plants in Galle and Puttalam as well as the Company's quarry site in Aruwakkalu. While the focus for the Livelihood Development and the Clean Water & Sanitation community pillars are more localized, the Education pillar is designed to bring about broader systemic change across the nation through vocational training and skill development initiatives for the benefit of the wider community. The community pillar on Education aligns with the SCCC Group Sustainability Ambition 2030

STEWARDSHIP AND GOVERNANCE OF COMMUNITY PROJECTS

All community projects are funded through a centralized CSR fund maintained under the purview of the Company Reputation unit headed by the Company's Chief Executive Officer. The Company Reputation unit is also the main body responsible for approving all community projects, while the Plant CSR team driven by the Sustainability Working Group is collectively responsible for ensuring all approved projects are successfully executed in line with the stated project objectives.



PROJECT EVALUATION & EXECUTION MECHANISM

COMMUNITY ENGAGEMENT AND GRIEVANCE HANDLING

INSEE has established a dedicated Community Advisory (CAP) at each of its plants to manage community relations with surrounding communities living in and around these plant sites in Galle and Puttalam.

The CAP comprises the Plant Manager, the Plant Environment Manager, a representative from the Sustainability Committee and community representatives including the area Grama Niladari, an official from the District Secretariat, and other community leaders. Bi-annual CAP meetings serve as a platform for exchanging ideas and promoting greater cooperation and collaboration between the Company and community stakeholders. These forums also allow community stakeholders to raise any grievances and propose potential projects. Projects proposals received through the CAP channel are reviewed by the respective Plant CSR team. The social impact of proposed projects is identified based on community perceptions. Only projects identified as "high impact" and approved by the Plant CSR and management team considered for implementation by the Sustainability Working Group.

GRI 203:103-1,103-2,103-3 GRI 203-2 GRI 413-1 GRI 413:103-1,103-2,103-3

In early 2021 INSEE undertook a special social impact assessment study at its Aruwakkalu Quarry site. The project completed in the latter part of 2021 was the first task undertaken by the dedicated new CAP established in relation to Quarry operations. After that the Company commissioned an independent third party to perform a similar social impact assessment study at the RCW and GCW plants as well by broadening the assessment parameters for each plant. Taking into consideration communities within a 5 km radius of each plant, several new socio-economic indicators were also mapped namely, occupational status, gender balance, income level, sanitation facilities, electricity connections etc.

Throughout 2020 and 2021, many of the scheduled plant CAP meetings could not be held due to pandemic related restrictions. Amidst this backdrop, a dedicated complaint hotline was put in place to create a channel to receive community complaints and grievances. The hotline was interlinked to the Company's CRM system to ensure all complaints received were logged, escalated to the relevant plant manager for appropriate action and systematically followed up until satisfactorily resolved. Since the complaint hotline was set up in 2020, a collective of complaints were received from the community through the complaint hotline until the end of December 2021. A majority of these complaints were pertaining to dust emissions from the PCW plant. However, it should be noted that the PCW plant remains within the dust emission parameters set out under the EPL issued by the CEA.

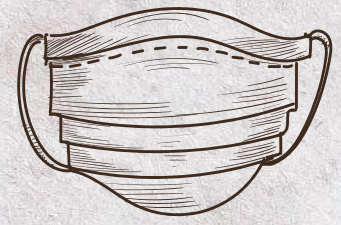
CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

With routine CAP meetings not held in 2020 and 2021, the Company took steps to carry out a special community needs assessment, with the help of the divisional secretariat and the respective Grama Niladhari's in the Puttalam and Galle areas. The findings of this study revealed that COVID support was one of the main issues of contention among the community in 2020 and 2021. In response INSEE carried out the following initiatives during this period

Community Responsibility in COVID Lockdown Period - Dry rations distributed by plant CSR team in April & May to support poor families and Third party employees' families who are residing in PCW & AKL communities.

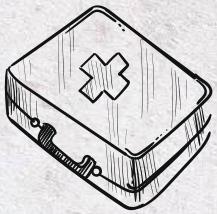
Constructed the COVID Ward for Puttalam Base Hospital - Joint CSR with the Norochcholai Power Plant and other stakeholders to provide medical facilities for the general public.

GRI 203-1 GRI 203-2 GRI 413-1



INSEE distributed a stock of 40,000 face masks and 1,800 bottles of hand sanitizer, along with a consignment of face-shields to the Provincial Governments, and a further 15,000 face masks, 250 bottles of hand-sanitizer along with a consignment of face-shields were presented to the Central Government Technical Officers' Association.

Premium SANSTHA Cement was donated to the National Hospital of Kandy to support their effort to build a 150-bed ward, within just 10 days, specifically for patients recovering. Additionally, SANSTHA Cement was donated to the National Hospital for Respiratory Diseases in Welisara, Ragama; to the Colombo South Hospital and to the Divulapitiya Base Hospital., all for the purpose of expanding the COVID care facilities in these hospitals.



INSEE donated multiple oxygen infusion pumps, which are crucial in managing patients suffering from COVID. In addition INSEE also provided 50 medical beds to the Puttalam Base Hospital Covid Ward

INSEE stepped in to provide valuable resources to construct the management center for COVID-19 in Iranawila, Puttalam

INSEE donated Sanstha cement towards the construction of a vital CT scan building at the National Institute of Infectious Diseases (IDH), a philanthropic initiative carried out by Engineering Association of the University of Moratuwa.

ONGOING INITIATIVES UNDER THE EDUCATION PILLAR

Providing teaching resources for Serakkuliya School and Eluwankulama Sinhala School to enhance Children Education

Annual blood donation camp organized by RCW for Covid patients

INSEE's Annual Medical Camp at Aruwakkalu is hailed as a huge success – with direct benefits to over 300 villagers

INSEE conducted its Annual Medical Camp for underserved communities in and around Aruwakkalu, one of its far-reaching and long-standing community wellness initiatives. A total number of 11 physicians, including a Cardiologist, Gynecologist, General Physician, Neurologist, ENT Specialist, and Nephrologist, volunteered from the Kandy National Hospital and were supported by dental surgeons and technicians conducting a separate dental clinic. Over 300 villagers from Puttalam, Aruwakkalu, and surrounding areas benefited from the camp. INSEE Cement sponsors all expenses related to medicinal drugs, tests, and other facilities during the event.

BEACH CLEANUP PROGRAM AT DEWA TA, GALLE

Ruhunu Cement Plant partnered with the Marine Environment Protection Authority to conduct a successful beach cleanup program. More than 400 participants from the Marine Environment Protection Authority, Sri Lanka Army, and Sri Lanka Police came forward and supported the event while the INSEE Environment team spearheaded the effort of cleaning – up the Dewata beach in Galle on the 24th of January 2021.

INSEE Cement renews MoU with National Apprentice and Industrial Training Authority (NAITA) to provide vocational education for unemployed youth in the Puttalam district.

GRI 203-1 GRI 413-1

INSEE Ecocycle Lanka partners with HelpAge to provide Medical and Eye Care facilities to underprivileged elders

The medical and eye care camp was conducted at INSEE Ecocycle's Pre-processing facility premises, Katunayake, in collaboration with HelpAge Sri Lanka and Katunayake BOI Zone management for the benefit of over 100 needy people, including waste collectors of BOI waste dump site, third–party site employees, drivers, driver assistants and the cleaning staff.

OTHER CSR ACTIVITIES FOR 2020 & 2021		
Description	Area	Beneficiaries
Construction of toilets for poor families	Puttalam District	35 families
Donation of 300 bags of cement	Puttalam District	60 families
Maintenance of the Community Library	Puttalam District	Approximately 400 students
Support for primary education	Puttalam District	50 students
Donation of 140 bags of cement	Puttalam District	
Puttalam base hospital renovation	Puttalam District	Not quantifiable
Construction of housing	Puttalam District	
Donation of 220 bags of cement	Puttalam District	HQ of the 58th Division
Donation of 50 bags of cement	Puttalam District	RSF 53rd Division
Donation of 50 bags of cement	Puttalam District	533 Brigade HQ
Donation of 100 bags of cement	Puttalam District	Sri Lanka Air Force Camp - Palavi
Donation of 40 bags of cement	Puttalam District	Sri Meththaramaya Temple - Kandeyaya
Donation of 50 bags of cement	Puttalam District	Sri Saranankara Piriwena
Donation of 40 bags of cement	Puttalam District	Hurukgamuwa Purana Vi-haraya, Weerambugedara
Donation of 40 bags of cement	Anuradhapura District	Thilakarathnaramaya, Anurad-hapura
Donation to support renovations	Puttalam District	Sri Aiyanayake Dewalaya - Kalladiya
Donation of 50 bags of cement	Puttalam District	St.Sebastians Church - Chilaw
Donation of 400 bags of cement	Puttalam District	Sri Sumanaramaya Maha Viharaya, Kalpitiya
Donation of 400 bags of cement	Puttalam District	St. Anthony Church – Kiwula
Donation of 50 bags of cement	Puttalam District	St.Sebastian's Church - Bath-thuluoya

Future Goals and Targets (Quantitative and Qualitative)

GOALS AND TARGETS	
PROGRESS ON 2020 & 2021 TARGETS	
Collaborate with the Group Sustainability Steering Committee to develop a single unified theme to mirror INSEE's community outreach programs and targets to group-wide efforts	Completed
Review and update community and stakeholder engagement plan plant wise	Ongoing

GOALS AND TARGETS FOR 2022 AND BEYOND
Work on Group Sustainability Steering Committee set country-specific targets and implement stakeholder community-engagement programs aligned to the SCCC Sustainability Ambition 2030.
Carry out a Stakeholder Impact Assessment study in 2023 (3 years cycle) covering stakeholders of PCW, RCW, and GCW with the results to be compared with the CAP meeting outcomes to plan the way forward

GRI 203-1 GRI 413-1

ENVIRONMENTAL CONSERVATION

INSEE STRIVES TO LEAD BY EXAMPLE AS A RESPONSIBLE ENVIRONMENTAL STEWARD

MONITOR PERFORMANCE, MEASURE IMPACT, MINIMIZE FOOTPRINT

MANAGEMENT APPROACH

As a business that is intrinsically and irrevocably connected to natural resources, INSEE strives to lead by example in presenting itself as a responsible environmental steward. Compliance plays a vital role in executing this commitment. Accordingly, INSEE strictly complies with all legal conditions stipulated under both the Environmental Protection License and the Scheduled Waste Management Licenses granted to each of the Company's plants by the National Environmental Protection Authority and the Provincial Environmental Authority in the respective areas. Where relevant, the Company has also secured necessary approvals from the Marine Environment Protection Authority and the Central Environment Authority.

Environmental Compliance Framework	Puttalam Cement Plant	Aruwakkalu Quarry	Ruhunu Cement Plant	Galle Cement Plant
Environmental Protection Licence (Mandatory)	☑	☑	☑	☑
Environmental Management System ISO 14001:2015 (Voluntary)	☑	☑	☑	☑
Energy Management System ISO 50001:2018 (Voluntary)	☑	☑		

Management teams at the INSEE Puttalam Cement Plant (PCW), the two plants in Galle - Galle Cement Plant (GCW) and Ruhunu Cement Plant (RCW) as well as the Company's quarry site in Aruwakkalu continue to work closely with these regulatory bodies to ensure that all operations are compliant with the required environmental standards at all times. During the reporting period, INSEE was not subject to any legal action or fines due to non-compliance with environmental regulations. Going beyond compliance, INSEE further reiterates its commitment to mitigating the environmental impact of the business through the adoption of sustainable manufacturing and responsible business practices. In this regard, the Company has implemented a fully-fledged Environmental Management System (EMS) benchmarked against the ISO 14001 Environmental Management Standard. The EMS which applies to all plant operations serves as the basis for managing major environmental aspects relating to INSEE's core business including energy consumption, water usage and discharge, treatment of effluents and waste disposal as well as managing the Company's emissions. INSEE has also voluntarily undertaken to align with the protocols of the BASEL convention on the Control of Transboundary movements of Hazardous Wastes and its disposal. Accordingly, where applicable, INSEE's internal systems have been developed in cognizance of the guidelines set out under these standards.

INSEE has also taken upon itself to safeguard the environment on behalf of future generations of Sri Lankans. Each year, the Company diverts significant resources to undertake environmental projects across Sri Lanka with a special focus on ecosystem restoration, conservation and rehabilitation under four key themes; quarry land, mangrove habitats, rainforests, and coral reefs. INSEE works in partnership with various non-profit, governmental, non-governmental and educational institutions to execute these projects and collaborates with them to expand the reach and improve the efficacy of these ecological protection initiatives. Over the years INSEE has partnered with institutions such as the Sri Lanka Navy, Biodiversity Sri Lanka, Rotaract Clubs, the University of Moratuwa, the Habaraduwa Technical College, the IUCN and a host of other environmentalists and volunteers.

GRI 301:103-1,103-2,103-3 GRI 302:103-1,103-2,103-3 GRI 304:103-1,103-2,103-3
GRI 305:103-1,103-2,103-3 GRI 306:103-1,103-2,103-3 GRI 307-1 GRI 307:103-1,103-2,103-3 GRI 419-1

FINANCIAL IMPLICATIONS, RISKS AND OPPORTUNITIES DUE TO CLIMATE CHANGE

Being a cement manufacturer, INSEE bears a heavy burden - that of being among the key industries responsible for global CO_2 emissions annually. With CO_2 emissions declared the leading cause of climate change, INSEE is constantly on the lookout for opportunities to reduce its own CO_2 footprint, and thereby support the transition to a low carbon economy.

Opportunities	Risks, and Financial Implications to the business
Increase the use of Fly Ash and Slag as a substitute for clinker to produce blended cement	Supply-side pressure and price uncertainties affect the availability of substitute materials on a regularly.
Use of alternative (clean) energy to reduce dependency on non-renewable energy sources	High cost of investment needed to transform internal systems and infrastructure to ensure sustainable access to clean energy over time.

Materials (Production and Packaging)

INSEE's cement production and packaging processes require large volumes of raw materials. These materials originate from both renewable and non-renewable sources, in an attempt to reduce the volume of non-renewable materials used in its production process, INSEE now increasingly uses Fly Ash as a replacement for Clinker - the main ingredient in the manufacture of traditional Ordinary Portland Cement. Fly Ash, being a by-product of coal-fired kilns, thus plays a vital role in reducing carbon emissions released in the grinding process to manufacture clinker. With the use of Fly Ash, INSEE has steadily expanded its range of blended cement, which now accounts for almost 10% of its total annual production volume.

Materials Used	Year 2020	Year 2021
Limestone (%)	10.84%	9.02%
Shale (%)	0	0
Additives (%)	7.02%	5.65%

Finished Good Materials	Year 2020	Year 2021
Imported or Purchased Bulk Cement (ready-for-packaging product) in MT	74,009	182,497
Packaging Material in kg	4,322,284	3,902,843
Office Paper usage in Reams	732	1,311
Semi-Finished Good Materials		
Imported/Purchased Clinker in MT	847,284	1,185,861
Produced Clinker in MT	707,093	712,758
Semi-Finished Good Materials: Alternative Material to Clinker (Clinker replace-ment)		
Finished Grinding Limestone (MT)	92,108	116,464
Calcite (MT)	104,141	115,480
Dolomite (MT)	19,302	32,238
Slag (MT)	65,547	73,893
Fly Ash (MT)	74,109	91,756
Total quantity of materials purchased/used as an alternate to Clinker in MT	355,207	429,831
% of Alternate Material used instead of Clinker	18.6%	18.5%

GRI 102-15 GRI 301:103-1 GRI 301-1 GRI 301-2 GRI 305:103-1,103-2,103-3 GRI 306:103-1,103-2,103-3

Non-Renewable / Non-Rapidly Renewable Raw Materials used in Production Process	Year 2020	Year 2021
Limestone (MT)	1,193,118	1,151,758
Laterite (MT)	50,162	41,780
Dolomite (MT) (doesn't include qty used as clinker replacement)	30,494	17,411
Gypsum (MT)	85,766	71,855
Aggregates (MT)	26,835	68,025
Sand / Manufactured Sand (MT)	10,662	52,000
Lubricants (L) (Only included quantity used for lubrication, not included lubricants used for combustion)	0	0
By Products of Other industries		
Waste material sent by Ecocycle for Incineration + Alternative Raw Material to Puttalam (in MT)	1,206	74,680

ENERGY MANAGEMENT

The manufacture of cement is an energy intensive operation, where the crushing process, raw material grinding, kiln and cement grinding functions, together account for more than 90% of INSEE's average annual energy consumption. Electricity and Coal are the primary energy sources used in INSEE's operations. Electrical energy is used to power the grinding and mixing systems at all grinding plants owned by the Company, while Coal is used only at PCW to fire the kiln for the production of Clinker. More recently, coal used at the PCW kiln has been replaced with clean energy generated through INSEE's Ecocycle waste co-processing operation, which now supplies almost 35.21% of the energy requirements of the kiln.

Cement type	Embodied Energy MJ/Ton
Extra	2,144
Sanstha – Puttalam Cement Plant	2,165
Rapid Flow Plus – Puttalam Cement Plant	2,677
Mahaweli Marine Plus – Puttalam Cement Plant	2,681
Mahaweli Marine Plus – Ruhunu Cement Plant	3,020
Sanstha – Ruhunu Cement Plant	3,041
Rapid Flow Plus – Ruhunu Cement Plant	3,201
Rapid Flow – Puttalam Cement Plant	3,517
Rapid Flow – Ruhunu Cement Plant	3,520

INSEE sees energy efficiency in its operations as a key pillar of its overall carbon footprint management strategy. In this regard, the Company has established a fully-fledged energy management system benchmarked against the ISO 50001:2018 Energy Management System Standards. This is further complemented by a comprehensive Energy Monitoring System that tracks electricity consumption at all plants against allocated targets with any and all deviations swiftly investigated through a root cause analysis. The monitoring system commissioned at the GCW and RCW is equipped to track end-to-end electricity consumption, while the system at PCW operates in a dual tracking mode; firstly, to monitor electrical energy consumption up until the kiln operation and secondly to enable end-point monitoring of total energy consumed. The main purpose of this dual approach is to lower the embodied energy attributed to each individual product (INSEE defines embodied energy as the sum of Production, Grinding and Packing energy including thermal and fuel Energy, electrical energy, raw material transport energy and transport energy).

INSEE's strategy to expand the blended cement range through the use of clinker substitutes such as Fly Ash, has been responsible for an overall reduction in the energy requirements of a segment of the Company's product portfolio. Testifying to this, the manufacture of a 50Kg bag of blended cement on average takes up only 26.1% of the energy needed to produce a similar sized bag of Ordinary Portland Cement. Moreover, the expansion of INSEE's Ecocycle Waste co-processing operation has enabled the Company to significantly improve the energy mix of its product range.

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Energy Consumed within the organization – Purchased from external sources	Year 2020	Year 2021
Electricity from CEB: Units Consumed (kWh)	118,688,733.91	130,837,341.00
Electricity from LECO: Units Consumed (kWh)	5,897,213.00	12,643,181.00
Total Units Purchased (kWh)	124,585,946.91	143,480,522.00

Energy consumption by location Reporting Period from 1st Jan to 31st Dec	Year 2020	Year 2021
INSEE Head Office (Colombo) (kWh)	325,915	Not applicable
Puttalam Integrated Plant (Includes Puttalam Cement Plant and Aruwakkalu Quarry operations) (kWh)	89,634,815	98,352,717
Ruhunu Cement Plant (kWh)	28,294,829	31,932,391
Galle Cement Plant (kWh)	5,479,025	12,096,933
INSEE Colombo Terminal (kWh)	297,311	420,586
Ecocycle Pre-Processing Facility Katunayake (kWh)	117,193	104,647
Ready-Mix Plant Peliyagoda (kWh)	418,188	546,248
INSEE Warehouses*(total of warehouses in Colombo, Kurunegala and Trincomalee) (kWh)	18,671	27,000
Total Energy Consumed by INSEE	**124,585,947**	**143,480,522**

	Year 2020	Year 2021
Energy Consumption by Generator 1 in kWh	108	355
Through Generators: Diesel Consumption in Liters	8,797	7,414
Coal used (MT) for all types of Equipment	79,537	68,707
Furnace Oil used (Liters) for all types of Equipment	1,464,308	1,335,333
Diesel used (Liters) for Primary Equipment Type 1	1,011,999	2,371,707
Diesel used (Liters) for Primary Equipment Type 2	594,865	755,953
Diesel used (Liters) for Other Operations	134,788	145,042
Petrol used (Liters) for Other Operations	79,650	78,882

WATER MANAGEMENT

INSEE's core business of cement manufacturing is essentially a dry operation that requires very little water. However, water is used for cooling the roller mill and clinker grinding as well as for dust control in all the cement plants. Water is also required for the utility and sanitation requirements of Company employees. RCW, GCW and the INSEE head office draw their water requirements from the municipal water lines, while the PCW and the Aruwakkalu quarry use a combination of surface water and groundwater to meet its needs. The surface water used at PCW comes from the nearby Mee Oya, while groundwater is extracted through deep tube wells installed at plants and at the quarry site. Currently approximately 70% of PCW's total water requirement is met through groundwater and 30% is met through surface water.

Even though water is not considered to be a material resource for INSEE's operations, water monitoring metrics have been incorporated into the Company's EMS to enable regular and ongoing measurement of water consumption across operations. Additionally, volumetric meters have been commissioned at all sites, including at the head office building to enable the detection of potential water leakages.

Since water is used by INSEE only for its cooling systems and for utility purposes of employees, it is not contaminated by any harmful substances or hazardous chemicals as defined by the Central Environment Authority regulations. Accordingly, at the plant-level, all residual water from canteens is treated and reused for gardening purposes, while sanitation water is released to the land within the plant boundary limits after proper treatment and appropriate testing to confirm if water quality parameters are in conformity with Environment Protection License guidelines. Onsite septic tanks and soakage pits have been installed at all plants to manage gray and black water.

All residual water generated by INSEE's head office is released to the municipal drainage system.

Total Fresh water in Cubic Meters

Year 2020	Year 2021
125,337	156,156

Total Other water in Cubic Meters

Year 2020	Year 2021
6,388	10,443

Total Water from Water stressed areas in Cubic Meters

Year 2020	Year 2021
89,082	94,988

Total Water from Non-water stressed areas in Cubic Meters

Year 2020	Year 2021
42,643	71,611

Total Capacity of all primary and intermediary water storage tanks in Cubic Meters

Year 2020	Year 2021
3,960	3,947

Total Water Withdrawn in Cubic Meters

Year 2020	Year 2021
131,725	166,599

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Total volume of water withdrawn from Water Stressed Areas	Year 2020	Year 2021
Total volume of water withdrawn from Water Stressed Areas - less than 1000 TDS		
Surface water withdrawn from Water stressed areas: Fresh water (less than 1000 TDS)	41,872	39,038
Groundwater withdrawn from Water stressed areas: Fresh water (less than 1000 TDS)	47,197	55,858
Third-Party Water withdrawn from Water stressed areas: Fresh water (less than 1000 TDS)	0	0
Total volume of water withdrawn from Water Stressed Areas - more than 1000 TDS		
Surface water withdrawn from Water stressed areas: Other water (more than 1000 TDS)	0	0
Groundwater withdrawn from Water stressed areas: Other water (more than 1000 TDS)	13	92
Third-Party water withdrawn from Water stressed areas: Other water (more than 1000 TDS)	0	0
Total volume of water withdrawn from Water Stressed Areas		
Total Surface water from water stressed areas*	41,872	39,038
Total Groundwater from water stressed areas	47,197	55,950
Total Third-Party water from water stressed areas**	0	0

Total volume of water withdrawn from Non-water Stressed Areas	Year 2020	Year 2021
Total volume of water withdrawn from Non- water Stressed Areas - less than 1000 TDS		
Surface water Withdrawn from Non-water stressed areas: Fresh water (less than 1000 TDS)	0	0
Groundwater Withdrawn from Non-water stressed areas: Fresh water (less than 1000 TDS)	0	0
Third-Party water Withdrawn from Non-water stressed areas: Fresh water (less than 1000 TDS)	36,268	61,260
Total volume of water withdrawn from Non- water Stressed Areas - more than 1000 TDS		
Total Surface water from Non-water stressed areas	0	0
Total Groundwater from Non-water stressed areas	197	0
Total Third-Party water from Non-water stressed areas**	6,178	10,351
Total volume of water withdrawn from Non-water Stressed Areas		
Total Surface water from Non-water stressed areas	0	0
Total Groundwater from Non-water stressed areas	197	0
Total Third-Party water from Non-water stressed areas**	42,446	71,611

Note: * Total surface water includes rain water harvested.
** Total third-party water from municipality, or gray water from other organisations.

Water Consumption	Year 2020	Year 2021
Total water consumption (Water Withdrawal less Water Discharge) in Cubic Meters (m^3)	95,174	63,715
Water consumption in Water stressed Areas (Water Withdrawal in stress areas less Water Discharge) (m^3)	85,110	37,576
Water Conservation		
Total Rainwater Harvested in Cubic Meters (m^3)	0	0
Total water (Cubic Meters) treated and recycled for operations, sanitation or gardening etc. (m^3)	2,300	2,044
Total Water (Cubic Meters) treated and discharged to environment (outside the premises) (m^3)	0	0
Total Water (Cubic Meters) Discharged without treatment (if and where allowed by EPL) (m^3)	36,551	102,884

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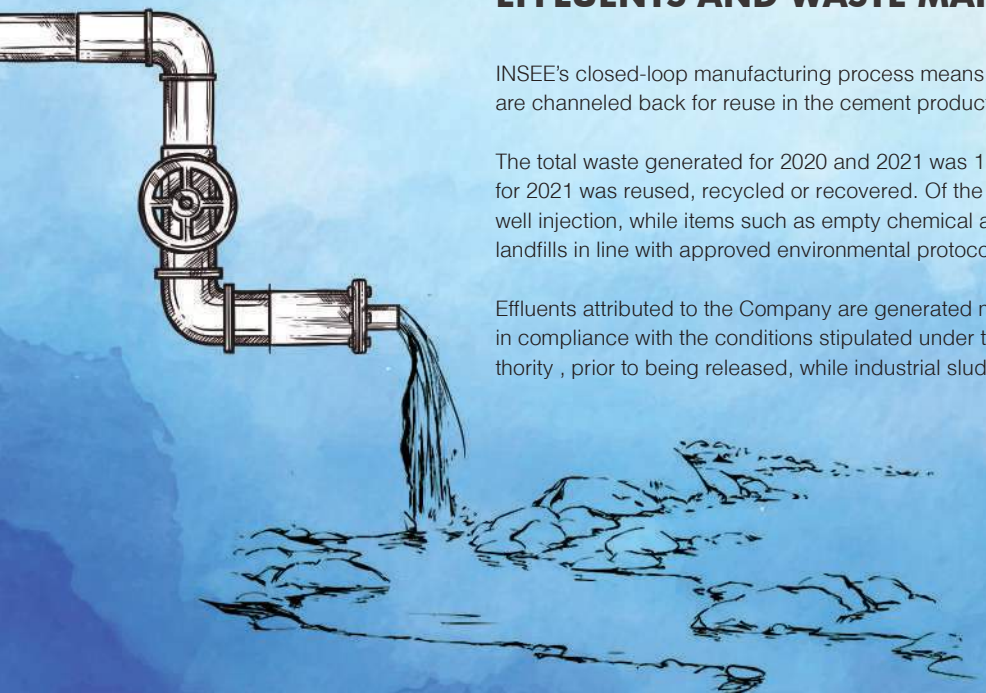
Total Water Discharge by Quality and Destination	Year 2020	Year 2021
Discharge to Surface Water in Cubic Meters	0	0
Discharge to Groundwater in Cubic Meters	24,651	86,445
Discharge to Sea in Cubic Meters	0	0
Discharge to Third-Party - Municipality in Cubic Meters	5,722	6,088
Discharge to Third-Party - Provided to other organizations in Cubic Meters	6,178	10,351
Total Water Discharge in Cubic Meters	**36,551**	**102,884**
Water discharge as a percentage of water withdrawn	**28%**	**62%**
Total Discharged of Fresh Water		
Total Discharge of Fresh water (less than 1000 TDS) to Water stressed areas in Cubic Meters	0	34
Total Discharge of Fresh water (less than 1000 TDS) to Non-water stressed areas in Cubic Meters	13,568	20,616
Total Discharged of Other Water		
Total Discharge of Other water (more than 1000 TDS) to Water stressed areas in Cubic Meters	3,972	57,412
Total Discharge of Other water (more than 1000 TDS) to Non-water stressed areas in Cubic Meters	19,078	24,822
Total Discharged to Water stressed areas in Cubic Meters	**3,972**	**57,412**
Total Discharged to Non-water stressed areas Cubic Meters	**32,646**	**45,472**



EFFLUENTS AND WASTE MANAGEMENT

INSEE's closed-loop manufacturing process means a majority of by-products and waste materials generated during production are channeled back for reuse in the cement production process.

The total waste generated for 2020 and 2021 was 1,486,729 kg, and 2,225,304 kg respectively of which 84% for 2020 and 89% for 2021 was reused, recycled or recovered. Of the remaining, a small portion of food waste was disposed of through deep well injection, while items such as empty chemical and paint containers, waste cement bags, asbestos were sent to designated landfills in line with approved environmental protocols

Effluents attributed to the Company are generated mainly at PCW. All effluents are treated at the on-site effluent treatment plant in compliance with the conditions stipulated under the environmental protection license issued by the Central Environment Authority , prior to being released, while industrial sludge is transferred to the Ecocycle Co-processing facility.

GRI 303-4 GRI 306:103-1 GRI 103 GRI 306-1 GRI 306-2

Non-hazardous Waste	Year 2020		Year 2021	
	Quantity generated	Disposal Method	Quantity generated	Disposal Method
Food Waste (kg)	0	Disposed for reuse	0	Disposed for reuse
	758,293	Disposed for composting	768,647	Disposed for composting
	0	Disposed through deep well injection	0	Disposed through deep well injection
	4,320	Disposed through landfilling		Disposed through landfilling
Wooden Pallets, Scrap Wood and other wooden waste (kg)	15,550	Disposed for reuse	523,785	Disposed for reuse
	0	Disposed for recovery of components	0	Disposed for recovery of components
Scrap Iron, Iron Barrels, Aluminum Waste and other steel waste (kg)	422,795	Disposed for recycling	648,149	Disposed for recycling
	430	Disposed for recovery of components	750	Disposed for recovery of components
Plastic Barrels, Filter Bags, Canvas, other Plastic, Polythene, rubber items (kg)	38,104	Disposed for recycling	24,857	Disposed for recycling
	21,996	Disposed for Incineration	15,860	Disposed for incineration
Paper Waste, Cardboard and other easily biodegradable packaging (kg)		Disposed for reuse	0	Disposed for reuse
	3,459	Disposed for recycling	637	Disposed for recycling
	216,744	Disposed for Incineration	230,212	Disposed for incineration
Glass, Ceramic and other Non-Hazardous General waste (kg)	0	Disposed for recycling	22	Disposed for recycling
	0	Disposed and kept on Site	0	Disposed and kept on site
Hazardous Waste	**Year 2020**		**Year 2021**	
Used Lubricants and other waste oil (kg)	0	Disposed and kept on site	0	Disposed and kept on site
Contaminated Scrap Iron, Cotton Waste, Oil filters, Carbon Liners etc (kg)	0	Disposed for recycling	0	Disposed for recycling
	0	Disposed and kept on site	0	Disposed and kept on site
Empty Chemical and Paint Containers, Waste Cement Bags, Asbestos (kg)	80	Disposed for recycling	85	Disposed for recycling
	0	Disposed through landfilling	0	Disposed through landfilling
E-waste, Electrical Scrap, CFL and LED bulbs (kg)	3,444	Disposed for recycling	30	Disposed and kept on site
	9,720	Disposed for recycling	57	Disposed and kept on site
Other Hazardous General waste (kg)		Disposed through landfilling	0	Disposed through landfilling

GRI 306-3 GRI 306-4 GRI 306-5

Amount of Non-Hazardous Waste Disposed through	Year 2020	Year 2021
Reuse (kg)	15,550	524,335
Recycling (kg)	464,848	674,325
Composting (kg)	430	750
Recovery (kg)	758,293	768,647
Incineration (kg)	238,740	246,072
Deep Well Injection (kg)	0	0
Landfill (kg)	4,427	0
On-Site Storage (kg)	522	564
Total amount of Waste Created and Disposed (kg)	**1,482,810**	**2,214,693**

Amount of Hazardous Waste Disposed through	Year 2020	Year 2021
Reuse (kg)	365	747
Recycling (kg)	3,524	9,805
Landfill (kg)	0	0
On-Site Storage (kg)	30	59
Total Hazardous Waste Disposed (kg)	**3,919**	**10,611**

EMISSION CONTROL

INSEE's core business is responsible for three types of emissions - CO_2 emissions as well as dust and sound emissions linked to its production processes.

Within the CO_2 framework, Scope 1 emissions arise due to burning fuel and limestone for the production of clinker., while Scope 2 emissions are generated as a result of electricity consumed for mixing, grinding etc. Working towards reducing its CO_2 emissions INSEE has implemented the globally accepted CEMS (Continuous Emission Monitoring System) to gather data on the Scope 1 and Scope 2 emissions attributed to the Company. The CEMS data is the main source of information used to compare the Company's performance against emission parameters set out under the Environmental Protection License (EPL) issued by the Central Environmental Authority. As per the CEMS data, INSEE's total Scope 1 and Scope 2 CO_2 footprints for 2020 were 824,605 MT and 696,165 MT in 2021. The Scope 1 CO_2 footprint generated from Direct Energy through Primary sources was 734,452 MT in 2020 and 608,442 MT in 2021, while the Scope 2 CO_2 footprint attributed to Indirect Energy through Primary sources was 87,723 MT in 2020 and 101,018 MT in 2021. Emissions recorded in 2020 and 2021, were considerably lower than 734,452 MT (Scope 1) and 90,153 MT (Scope 2) emissions reported in 2019.

Apart from this, kiln dust released during the clinker manufacturing process at PCW and the noise emanating from the grinding operation at GCW are also key concerns for the Company. All appropriate procedures to minimize sound and dust pollution have been implemented, including noise cancellation equipment and dust shields. As an additional precaution, the Company has also undertaken to increase the forest cover around the boundary perimeter of PCW. Continuous and ongoing monitoring of dust and sound indicators is another big part of the overall management approach. Currently the Company monitors and reports on NOx, SO_2 and Dust emissions and hazardous air pollutants only with regard to PCW, since it is our only fully integrated cement plant. As per available data, the Hazardous Air Pollutant level for both 2020 and 2021 was Zero. More recently INSEE has also begun to monitor and actively manage Scope 3 emissions generated through the Company's logistics operation. The

GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4 GRI 305-5 GRI 305-6 GRI 305:103-1 GRI 306-5 GRI 413-2

implementation of the express logistics operation was one of the key initiatives undertaken by the Company to reduce Scope 3 emissions. Since 2018, the Company has also started measuring Scope 3 Carbon footprint associated with both downstream operations such as the transport of clinker as well as upstream functions such as the transport of finished goods and staff commuting.
INSEE's Scope 3 emissions Carbon Footprints for 2020 and 2021 have been declared in relation to the upstream transport of materials and input goods measured against the Metric Tonnes (MT) of Clinker purchased during the respective period. On this basis, INSEE's recorded Scope 3 emissions for 2020 were 1825 MT and 3461 MT for 2021.

CO_2 Emissions	Year 2020	Year 2021
Net CO_2 Emissions (kg CO_2 /ton cementitious material)	526	526
Clinker factor (%) (Clinker / cement ratio)	79.10%	77.90%

Other Atmospheric Emissions	Year 2020		Year 2021	
NOx (mg/Nm^3, 10% O_2)	750	1.5289 g/ ton Clinker	750	1.5289 g/ ton Clinker
SO_2 (mg/Nm^3, 10% O_2)	6.25	0.0127 g/ ton Clinker	6.25	0.0127 g/ ton Clinker
Dust (mg/Nm^3, 10% O_2)	13.7	0.0279 g/ ton Clinker	13.7	0.0279 g/ ton Clinker

BIODIVERSITY CONSERVATION

INSEE has always maintained a consistent approach toward biodiversity conservation in the area surrounding its quarry and mining operation in Aruwakkalu. The Company's approach is based on globally accepted best practices, where an annual biodiversity assessment carried out every December serves as the basis for identifying potential areas to be mined in the year ahead. As per the findings of the annual assessment report, only areas that present the least risk of ecosystem damage are approved for mining operations. The next step is the implementation of the Animal Rescue Program which is designed to ensure that quarry expansion activities in Aruwakkalu are done sustainably and with minimum impact on natural ecosystems.

Going hand in hand with the animal rescue program, is INSEE's Assisted Regeneration Program to reforest decommissioned quarry sites. Carried out under the guidance of the IUCN, the main aim of the Assisted Regeneration Program is to rehabilitate previously excavated areas and restore them to a state as close as possible to the ecological conditions that existed before the commencement of quarrying operations. Ideally, the affected areas once restored should be on par with the nearby forests of Wilpattu National Park, wherein thrives a diversity of fauna and flora.

Biodiversity - Operational sites assessed for proximity risks	Year 2020	Year 2021
Subsurface land utilized in Sq. Feet	914,760	1,066,950
Size of Operational Site in Acres	52	55
Internal Annual Visual Audit of Flora, Fauna Study Done?	No	No
Independent Periodic Visual Audit of Flora, Fauna Study Done?	Yes, annually by IUCN	Yes, annually by IUCN

Biodiversity - Habitats Protected or Restored	Year 2020	Year 2021
Size of protected or restored biodiversity habitat area (in Acres) under company purview	55	55

GRI 304:103-1 GRI 304-1 GRI 304-3 GRI 305-7

REHABILITATION AND RESTORATION

Animal Rescue Program

The Program relies on the technical assistance provided by the IUCN to identify and rescue animals at risk, and safely relocate them to a similar habitat in Aruwakkalu itself. As per the IUCN guidelines, all animals identified for rescue are collected and placed in aerated polythene or cloth collecting bags, or plastic containers, as appropriate, before being translocated to suitable micro-habitats within the identified translocation destination sites. Destination sites are selected based on its ability to facilitate the requirements of the taxon to be translocated. Primary translocation sites are typically restored areas of the quarry, nearby villus, and other protected areas. A variety of techniques and approaches are employed in order to rescue targeted faunal groups and species. In general, the rescue program targets less mobile animals - in particular small and slow-moving animals deemed unable to relocate fast enough to avoid being harmed during a forest clearing process. Animals rescued in this manner include: scorpions, tail scorpions, whip scorpions, harvestmen, spiders, millipedes, centipedes, beetles, mantids, true bugs, hoppers, crickets, cockroaches, snails, frogs, geckos, skinks, snakes, tortoises, lizards and earth snakes.

The most recent Animal Rescue Program conducted in 2021 was responsible for rescuing a total of 1,841 individual animals belonging to 96 species who were rescued from the proposed quarry site and released into safe habitats located 1.5 km north of the collection site. Among the rescued species 19 species are endemic to Sri Lanka of which 11 species have been identified as nationally threatened. They include one Critically Endangered species (CR) - *Nessia hickanala* (Sharkhead snakeskink), six Endangered species (EN)– *Aulopoma itieri, Euplecta layardi, Cyclophorus involvulus, Glessula ceylonica, Glessula lankana* (Land snails) and *Rhachistia adumhratus* and four Vulnerable species (VU) – *Cryptozona semirugata, Cyclophorus ceylanicus, Theobaldius subplicatulus*, and *Beddomea tifasciatus*. The majority of them are land and arboreal snails which are restricted to natural forest systems. Other than those threatened species, *Geochelone elegans, Rhachistia pulcher and Macrachlamy vilipensa* are considered nationally Near Threatened (NT) and *Geochelone elegans* is considered a Data Deficient (DD) species in the National Red List 2012.

INSEE'S ASSISTED REGENERATION PROGRAM

A majority of other rescued faunal species represent the invertebrate groups and most of them were not well-known species. Therefore, species and threatened status of these species have not been evaluated yet.

STEP 1

Annual ecological survey conducted by the IUCN

STEP 2

Newly filled areas are covered with topsoil (rich in organic matter and natural seed banks) collected from freshly mined areas.

STEP 3

Suitable plant species are introduced to the refilled areas along with suitable environmental conditions, such as shade and soil nutrients that are conducive to the re-colonization of restored areas by native flora and faunal species. Once the native plants have been well established, a special Invasive Plant removal program is also carried out to eliminate threats that could potentially disrupt the re-colonization process.

STEP 4

Refilling of the de-commissioned quarry site with unusable soil (overburden) generated during the mining process

GRI 304-1 GRI 304-2 GRI 304-3 GRI 304-4

Assisted Regeneration Program

INSEE's Assisted Regeneration Program is a highly structured initiative to identify new areas for restoration and monitor the progress of past rehabilitation efforts. The entire program is based on the annual ecological survey conducted by the IUCN. For the purpose of the survey, the rehabilitated area has been grouped into 15 plots, each of which has been restored at different time frames over the past 10 years. Surveying selected sample plots within restored areas of the Aruwakkalu site aims to measure changes in the habitat structure, species diversity, and ecological functions of the restored areas, compared with baseline conditions in order to determine the following:

- Changes in floristic composition and faunal species richness over time
- The success of the recovery of restored sites in light of the original recovery objectives
- Recommendations for additional actions required to achieve the recovery objectives based on the findings of the ecological assessments
- Identification of gaps in the restoration program against the compliance re-quirements set out in the Environment Protection License (EPL) issued by the Provincial Environmental Authority (PEA) and ensuring such gaps are addressed in the restoration program in the following year

Basis for monitoring Fauna Re-colonization

The faunal species richness is indicative of the re-colonization of the species due to maintenance of food and habitat for them within the restored sites. Therefore, the rate of recolonization by fauna species is a key indicator of the functional changes within restored habitats. As such, the presence of faunal species in the rehabilitated sites is considered an indicator of the restoration of food webs in the restored areas.

Fauna species were sampled within the same permanent belt transects (5 x 50 m). The faunal taxa sampled during the monitoring visit are Land snails, Dragonflies, Butterflies, Amphibians, Reptiles, Birds and Mammals. The methodology is given in Box 01.

Although land snails and dragonflies were not included in the original monitoring protocol (IUCN, 2009), the species richness of both these taxa w*as* recorded during recent visits (from 2011 to 2020) (IUCN, 2020).

The basis for monitoring Flora Re-colonization

The flora monitoring method is based on the protocol developed by IUCN in 2009 (IUCN Sri Lanka, 2009). In order to collect data in each sampling plot, a 5 x 50 m belt transect is placed and divided into ten 5 x 5 m subplots.

The structure and composition of flowering plants within these subplots are then documented in terms of percentage cover, canopy radius and vegetation cover. Further, a profile diagram is developed for each plot.

The methodology used to sample flora within the restored plots:

- Small plants (herbs, saplings, seedlings and small shrubs of 1 m or below in height)

The percentage cover of each species in each subplot was estimated visually. Based on these estimates, the total cover of each species for the entire transect was calculated. Changes in species composition and foliage cover were used as partial evidence in interpreting habitat recovery.

- Medium-sized plants [height above 1 m and Girth at Breast Height (GBH) below 10 cm]

A visual estimate of the canopy radius of each individual plant was noted and from this, the total cover of each species was calculated. Changes in species composition and foliage cover were used as partial evidence in interpreting habitat recovery.

- Large plants [trees above 10 cm in Girth at Breast Height (GBH)

For each woody plant species, the canopy cover values of the individual plants that exceeded a height of 1 m and a Girth at Breast Height (GBH) of 10 cm were recorded to determine the cover and species diversity. The approximate radius of the cover of each plant was also recorded to calculate the area occupied by the canopy projection of each plant.

The Assisted Regeneration Program was first launched in 2009, and since then has been responsible for the rehabilitation of nearly 87.81 hectares of the mine site. During this period, a total of 246 faunal species were colonized in the restored areas. Moreover, the IUCN has estimated that the biodiversity richness of the rehabilitated lands is 6 times *greater* than it was before. In testimony to this fact, the faunal species on the restored land hav*e* increased from 52 to 249 over the past twelve years.

INSEE takes Immediate Action against Encroaching and Deforesting of Leased Quarry Land

Due to the lack of physical demarcations of the boundaries, the untouched and unmined land area located approximately four kilometers away from the quarry operational area has continued to be encroached on by surrounding village communities over the last two decades. The most recent land encroachment occurred in early September 2020, which resulted in the illegal clearing of approximately 29 acres of forest land in an isolated area located on the Southeastern boundary of the land. Subsequent to careful investigation and formulation of proper mining plans by the Company, this area was identified as a non-mining area with the forest conserved over the years.

Amidst this backdrop, INSEE Cement immediately commenced a series of activities to prevent reoccurrence and to rehabilitate the affected area, nearly 8,000 plants planted over a land area of 15 acres within a six-month period since the incident. In addition, the company undertook *a* survey of the affected area with boundaries being clearly demarcated with the commissioning of boundary indicator poles. while Display of signs and notice boards were also put up along the boundary perimeter indicating land ownership and warning to trespassers Meanwhile to patrol guards on motorbikes were introduced to conduct routine security checks, while a drone camera was also deployed for closer surveillance.

The fast response demonstrates the Company's commitment to the environment and to report transparently to all stakeholders.

Mangrove Restoration project

In 2019, INSEE made a firm commitment to work in partnership with the Wildlife and Ocean Resource Conservation (WORC) and Central Environment Authority to restore mangrove around the Thalathuduwa and Kurulu Duwa Island that form part of the Koggala Lagoon - an iconic landmark in the Country's southern province. INSEE's RCW and GCW plants are both located in close proximity to the mangroves located on the waters of the Koggala lagoon.

In parallel to the ongoing mangrove restoration projects around the Thalathuduwa and Kuruluduwa Islands of the Koggala Lake, INSEE kicked off a new mangrove restoration initiative in October 2021 to focus on restoring one hectare of natural mangrove forest in the vicinity of the Searakkuliya Lagoon, Aruvakkaru, in the Puttalam District. The initial phase of the Aruvakkaru segment of the project will see between 1,500 and 2,000 new mangrove plants being introduced to the area over a period of 1 year, along with other ecological conservation activities.

GRI 304-4

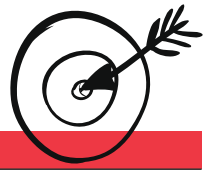
CORPORATE ENVIRONMENTAL INITIATIVES

Coral Reef Restoration

Another significant undertaking by INSEE Cement is the Unawatuna Coral Reef Restoration Project, which has seen the introduction of artificial structures to reinforce the southern coral bed and encourage coral propagation. More recently, INSEE has begun working in collaboration with various stakeholders to install coated steel structures to reinforce coral beds and promote coral propagation in a more sustainable manner.

Since first being launched in 2009, the project has enabled the establishment of at least 25 new coral colonies to date.

FUTURE GOALS AND TARGETS (QUANTITATIVE AND QUALITATIVE)



GOALS AND TARGETS	
PROGRESS ON 2020 & 2021 TARGETS	
Setting Water reduction and Biodiversity conservation goals at a regional as well as local level	Completed
Setting targets for sustainably minimizing the CO_2 emission ton per cementitious material	Completed
GOALS AND TARGETS FOR 2022 AND BEYOND	
Increase the use of Clinker substitutes by 50% from current levels	
Reduce CO_2 emissions to <530kg net per ton cementitious by 2030.	
Reduce CO_2 emissions to <530kg net per ton by 2030	
Have a net positive impact on biodiversity and increase water conservation efforts and initiatives toward the target of reducing specific water consumption by more than 20% and using surface water collection achieving more than 40% by 2030.	

GRI 304-2 GRI 304-3

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Independent Assurance Report to the Board of Directors of Siam City Cement (Lanka) Limited on the Sustainability Reporting Criteria Presented in the Integrated Annual Report- 2020/21

Scope

We have been engaged by the management of Siam City Cement (Lanka) Limited ("the Company") to perform an independent assurance engagement, as defined by the Sri Lankan Standard on Assurance Engagements, on the sustainability reporting criteria presented in the Integrated Annual Report for the year ended 31 December 2020/21 (the "Report").

- Reasonable assurance on the information on financial performance as specified on page xx of the Report.

- Limited assurance on other information presented in the Report, prepared in accordance with the GRI Standards: Core option.

Criteria applied by Siam City Cement (Lanka) Limited

The sustainability reporting criteria presented in the Report *have* been prepared in accordance with The Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines, publicly available at GRI's global website www.globalreporting.org.

This Report has been prepared in accordance with the GRI Standards: Core option (the "criteria").

Siam City Cement (Lanka) Limited's responsibilities

Siam City Cement (Lanka) Limited's management is responsible for selecting the criteria, and for presenting the Report in accordance with the said criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to support the sustainability reporting process of the Report, such that it is free from material misstatement, whether due to fraud or error.

Ernst & Young's responsibilities

Our responsibility is to express a conclusion on the presentation of the Report in accordance with the GRI Standards: Core option based on the evidence we have obtained.

We conducted our engagement in accordance with the Sri Lanka Standard on Assurance Engagements SLSAE 3000: Assurance Engagements other than Audits or Reviews of Historical Financial Information (SLSAE 3000) issued by the Institute of Chartered Accountants of Sri Lanka and the terms of reference for this engagement as agreed with Siam City Cement (Lanka) Limited in the engagement letter dated 31 January 2022.

The standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Report in order for it to be in accordance with the criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our independent assurance conclusion.

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka and have the required competencies and experience to conduct this assurance engagement.

EY also applies Sri Lanka Standard on Quality Control (SLSQC 1), Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

We performed our procedures to provide an independent assurance engagement in accordance with SLSAE 3000.

Procedures performed in the reasonable assurance engagement depend on our judgment, including the assessment of the risks of material misstatement whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the preparation and presentation of the reasonable assurance Indicators in order to design the assurance procedures that are appropriate in the circumstances. Our procedures also included assessing the appropriateness of the reasonable assurance indicators, the suitability of the criteria in preparing and presenting the reasonable assurance indicators within the Report and obtaining an understanding of the compilation of the financial information to the sources from which it was obtained.

Procedures performed in the limited assurance engagement consisted of making inquiries, primarily of persons responsible for preparing the Report and related information and applying analytical and other appropriate procedures. These procedures vary in nature and timing and are less in extent than *those* for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is

substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Although we considered *them* the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

We also performed the below procedures as we considered necessary in the circumstances:

- Perform a comparison of the content of the Report against the Global Reporting Initiative (GRI) - GRI Standards guideline.
- Interviewing relevant organization's personnel to understand the process for collection, analysis, aggregation and presentation of data.
- Review and validation of the information contained in the Report.
- Check the calculations performed by the organization on a sample basis through recalculation.
- Advice, make recommendations and suggestions on the Sustainability Reporting indicators to improve the presentation standard.
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- Independently review the content of the Report and request changes if required.
- Express an independent assurance conclusion on the performance indicators presented in the Sustainability Reporting criteria.

Emphasis on matter

Social, natural and intellectual capital management data/information are subjected to inherent limitations given their nature and the methods used for determining, calculating and estimating such data.

We also do not provide any assurance on the assumptions and achievability of prospective information presented in the Report.

Restricted use

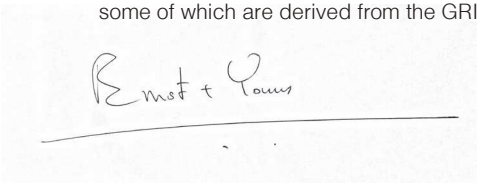
This report is intended solely for the information and use of Siam City Cement (Lanka) Limited and is not intended to be and should not be used by anyone other than the specified party.

Conclusion

Based on our procedures and the evidence obtained, we conclude that:

- The information on financial performance as specified on page xx of the Report is properly derived from the audited financial statements of the (Company) for the year ended 31 December 2020/21

- Nothing has come to our attention that causes us to believe that other information presented in the Report *is* not fairly presented, in all material respects, in accordance with the (Company)'s sustainability practices and policies some of which are derived from the GRI Standards: Core option.



Chartered Accountant
Colombo

01 November 2022

GRI CONTENT INDEX

GRI Standard Disclosure		Relevant Section	Page Numbers	Omissions	External Assurance Indicate if the Standard Disclosures has...
GRI 102: General Disclosures 2016					
Organizational Profile disclosures					
102-1	Name of the Organization	• Business Overview	Page 6		Yes, please refer independence assurance statement on page 92
102-2	Activities brand, product & Services	• Business Overview • Innovation & Industry Leadership	Page 10 Pages 31, 32		Yes, please refer independence assurance statement on page 92
102-3	Location of Headquarters	• About the Report	Page I		Yes, please refer independence assurance statement on page 92
102-4	Locations of operation	• Business Overview	Pages 6, 7		Yes, please refer independence assurance statement on page 92
102-5	Ownership and legal form	• About the Report	Page I		Yes, please refer independence assurance statement on page 92
102-6	Markets Served	• Business Overview • Customers	Page 9 Pages 64, 66		Yes, please refer independence assurance statement on page 92
102-7	Scale of the Organization	• Business Overview • Contribution to the National Economy	Page 6 Page 34		Yes, please refer independence assurance statement on page 92
102-8	Information on employees and other workers	• Employees	Pages 50, 59	Third-party-contractor workers numbers (age-wise) is not reported please refer note on page 59	Yes, please refer independence assurance statement on page 92
102-9	Supply Chain	• Sustainability Strategy • Supplier	Page 28 Page 68, 69		Yes, please refer independence assurance statement on page 92
102-10	Significant changes to the organization and its supply chain	• Supplier	Page 70		Yes, please refer independence assurance statement on page 92
102-11	Precautionary principle or approach	• Pioneering Safety in Construction • Customers	Page 49 Page 64		Yes, please refer independence assurance statement on page 92

102-12	External Initiatives	• About the Report • Sustainability Strategy	Page I Pages 12, 13, 14, 15, 26, 27	Yes, please refer independence assurance statement on page 92
102-13	Membership of Associations	• Sustainability Strategy	Page 28	Yes, please refer independence assurance statement on page 92
Strategy				
102-14	Statement from senior decision maker	• Message from Chairman/ CEO	Pages 2,3,4	Yes, please refer independence assurance statement on page 92
102-15	Key impacts, risk and opportunities	• Sustainability Strategy • Environment	Page 19 Page 79	Yes, please refer independence assurance statement on page 92
Ethics and Integrity				
102-16	Values, principles, standards and norms of behavior	• Message from Chairman/CEO • Business Overview • Sustainability Strategy	Page 4 Page 6 Pages 12, 13, 14, 15, 17	Yes, please refer independence assurance statement on page 92
102-17	Mechanisms for advice and concerns about ethics	• Sustainability Strategy	Page 18	Yes, please refer independence assurance statement on page 92
Governance				
102-18	Governance Structure	• Sustainability Strategy	Page 16	Yes, please refer independence assurance statement on page 92
102-19	Delegating Authority	• Sustainability Strategy	Page 16	Yes, please refer independence assurance statement on page 92
102-20	Executive level responsibility for economic, environmental and social topics	• Sustainability Strategy	Page 16	Yes, please refer independence assurance statement on page 92
102-21	Consulting stakeholders on economic, environmental and social topics	• Sustainability Strategy	Pages 20, 21, 22	Yes, please refer independence assurance statement on page 92
102-29	Identifying and managing economic, environmental and social impacts	• Sustainability Strategy	Page 16,	Yes, please refer independence assurance statement on page 92
102-30	Effectiveness of risk management processes	• Sustainability Strategy	Page 16	Yes, please refer independence assurance statement on page 92
102-31	Review of economic, environmental and social topics	• Sustainability Strategy	Page 16	Yes, please refer independence assurance statement on page 92
102-32	Highest governance body's role in sustainability reporting	• About the Report • Sustainability Strategy	Page II Page 16	Yes, please refer independence assurance statement on page 92
102-33	Communicating critical concerns	• Sustainability Strategy	Page 16	Yes, please refer independence assurance statement on page 92

Stakeholder Engagement				
102-40	Stakeholder Engagement	• Sustainability Strategy	Pages 20, 21, 22	Yes, please refer independence assurance statement on page 92
102-41	Collective bargaining agreements	• Employees	Page 60	Yes, please refer independence assurance statement on page 92
102-42	Identifying and selecting stakeholders	• Sustainability Strategy	Pages 19, 20, 21, 22	Yes, please refer independence assurance statement on page 92
102-43	Approach to stakeholder engagements	• Sustainability Strategy	Pages 20, 21, 22	Yes, please refer independence assurance statement on page 92
102-44	Key topics and concerns raised	• Sustainability Strategy	Pages 20, 21, 22	Yes, please refer independence assurance statement on page 92
Reporting Practice				
102-45	Entities included in the consolidated financial statements	• About the Report	Page I	Yes, please refer independence assurance statement on page 92
102-46	Defining report content and topic boundaries	• About the Report • Sustainability Strategy	Page I Pages 24,25	Yes, please refer independence assurance statement on page 92
102-47	List of material topics	• Sustainability Strategy	Page 23	Yes, please refer independence assurance statement on page 92
102-48	Restatements of information	• About the Report	Page I	Yes, please refer independence assurance statement on page 92
102-49	Changes in reporting	• About the Report	Page I	Yes, please refer independence assurance statement on page 92
102-50	Reporting period	• About the Report	Page I	Yes, please refer independence assurance statement on page 92
102-51	Date of most recent report	• About the Report	Page I	Yes, please refer independence assurance statement on page 92
102-52	Reporting cycle	• About the Report	Page I	Yes, please refer independence assurance statement on page 92
102-53	Contact point for question regarding the report	• About the Report	Page II	Yes, please refer independence assurance statement on page 92
102-54	Claims of reporting in accordance with the GRI standards	• About the Report	Page I	Yes, please refer independence assurance statement on page 92
102-55	GRI content index	• GRI Content Index	Pages 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108	Yes, please refer independence assurance statement on page 92

102-56	External Assurance	• About the Report • Independence Assurance Statement	Page I Pages 92, 93, 94	Yes, please refer independence assurance statement on page 92
GRI 103: Management Approach 2016				
103	General requirements for reporting the management approach	• Sustainability Strategy	Page 12, 28	Yes, please refer independence assurance statement on page 92
103-1	Explanation of the material topic and its Boundary	• Sustainability Strategy	Pages 24, 25	Yes, please refer independence assurance statement on page 92
103-2	The management approach and its components	• Sustainability Strategy	Pages 24, 25	Yes, please refer independence assurance statement on page 92
103-3	Evaluation of the management approach	• Sustainability Strategy	Pages 24, 25	Yes, please refer independence assurance statement on page 92
GRI 200 – Economical Topic-specific Standards Material Topics Economic Performance				
GRI 201: Economic Performance 2016				
Management Approach				
103-1	Explanation of the material topic and its boundaries	• Innovation and Industry Leadership • Contribution to the National Economy	Page 30 Page 34	Yes, please refer independence assurance statement on page 92
103-2	The management approach and its components	• Innovation and Industry Leadership • Contribution to the National Economy	Page 30 Page 34	Yes, please refer independence assurance statement on page 92
103-3	Evaluation of the management approach	• Innovation and Industry Leadership • Contribution to the National Economy	Page 30 Page 34	Yes, please refer independence assurance statement on page 92
Topic Specific				
201-1	Direct economy value generated and distributed	• Contribution to the National Economy	Page 35	Yes, please refer independence assurance statement on page 92
GRI 203: Indirect Economic Impacts 2016				
Management Approach				
103-1	Explanation of the material topic and its boundary	• Contribution to the National Economy • Pioneering Safety in Construction • Local Communities	Page 35 Page 49 Page 72	Yes, please refer independence assurance statement on page 92
103-2	The management approach and its components	• Contribution to the National Economy • Pioneering Safety in Construction • Local Communities	Page 35 Page 49 Page 72	Yes, please refer independence assurance statement on page 92
103-3	Evaluation of the management approach	• Contribution to the National Economy • Pioneering Safety in Construction • Local Communities	Page 35 Page 49 Page 72	Yes, please refer independence assurance statement on page 92

Topic Specific				
203-1	Infrastructure investment and services supported	• Contribution to the National Economy • Pioneering Safety in Construction • Local Communities	Pages 35, 38, 39, 40 Page 49 Pages 73, 74, 75, 76	Yes, please refer independence assurance statement on page 92
203-2	Significant indirect economic impacts	• Sustainability Strategy • Contribution to the National Economy • Local Communities	Page 28 Pages 35, 38, 39, 40 Pages 72, 73	Yes, please refer independence assurance statement on page 92
GRI 204: Procurement Practices 2016				
Management Approach				
103-1	Explanation of the material topic and its boundaries	• Supplier	Page 67	Yes, please refer independence assurance statement on page 92
103-2	The management approach and its components	• Supplier	Page 67	Yes, please refer independence assurance statement on page 92
103-3	Evaluation of the management approach	• Supplier	Pages 68, 69, 70	Yes, please refer independence assurance statement on page 92
Topic Specific				
204-1	Proportion of spending on local suppliers	• Supplier	Page 70	Yes, please refer independence assurance statement on page 92
GRI 205- Anti Corruption 2016				
Management Approach				
103-1	Explanation of material topics and its boundaries	• Sustainability Strategy	Page 18	Yes, please refer independence assurance statement on page 92
103-2	Management approach and its components	• Sustainability Strategy	Page 18	Yes, please refer independence assurance statement on page 92
103-3	Evaluation of the Management Approach	• Sustainability Strategy	Page 18	Yes, please refer independence assurance statement on page 92
Topic Specific				
205-2	Communication and training about anti-corruption policies and procedures	• Sustainability Strategy	Pages 17, 18	Yes, please refer independence assurance statement on page 92
205-3	Confirmed incidents of corruption and actions taken	• Sustainability Strategy • Supplier	Page 18	Yes, please refer independence assurance statement on page 92

GRI 300 – Environmental Topic-specific Standards Material Topics Economic Performance				
GRI 301: Materials 2016				
Management Approach				
103-1	Explanation of material topics and its boundaries	• Environment	Pages 78, 79	Yes, please refer independence assurance statement on page 92
103-2	Management approach and its components	• Environment	Page 78	Yes, please refer independence assurance statement on page 92
103-3	Evaluation of the Management Approach	• Environment	Page 78	Yes, please refer independence assurance statement on page 92
Topic Specific				
301-1	Material used by weight of volumes	• Environment	Pages 79, 80	Yes, please refer independence assurance statement on page 92
301-2	Recycled input material used	• Environment	Page 79	Yes, please refer independence assurance statement on page 92
GRI 302: Energy 2016				
Management Approach				
103-1	Explanation of the material topic and its boundaries	• Environment	Pages 78, 80	Yes, please refer independence assurance statement on page 92
103-2	Management approach and its components	• Environment	Page 78	Yes, please refer independence assurance statement on page 92
103-3	Evaluation of the Management Approach	• Environment	Page 78	Yes, please refer independence assurance statement on page 92
Topic Specific				
302-1	Energy consumption with the organization	• Environment	Pages 80, 81	Yes, please refer independence assurance statement on page 92
302-4	Reduction of energy consumption	• Environment	Page 80	Yes, please refer independence assurance statement on page 92
302-5	Reduction of energy requirement of products and services	• Environment	Page 80	Yes, please refer independence assurance statement on page 92
GRI 303: Water and Effluents 2018				
Management approach				
103-1	Explanation of the material topic and its boundaries	• Environment	Page 82	Yes, please refer independence assurance statement on page 92
103-2	Management approach and its components	• Environment	Page 82	Yes, please refer independence assurance statement on page 92

103-3	Evaluation of the Management Approach	• Environment	Page 82	Yes, please refer independence assurance statement on page 92
303-1	Interaction with water as a shared resource	• Environment	Page 82	Yes, please refer independence assurance statement on page 92
303-2	Management of water discharge-related impacts	• Environment	Page 82	Yes, please refer independence assurance statement on page 92
Topic specific				
303-3	Water Withdrawal	• Environment	Pages 82, 83	Yes, please refer independence assurance statement on page 92
303-4	Water Discharge	• Environment	Page 84	Yes, please refer independence assurance statement on page 92
303-5	Water Consumption	• Environment	Page 83	Yes, please refer independence assurance statement on page 92
GRI 304: Biodiversity 2016				
Management Approach				
103-1	Explanation of the material topic and its boundaries	• Environment	Pages 78, 87	Yes, please refer independence assurance statement on page 92
103-2	Management approach and its components	• Environment	Page 78	Yes, please refer independence assurance statement on page 92
103-3	Evaluation of the Management Approach	• Environment	Page 78	Yes, please refer independence assurance statement on page 92
Topic Specific				
304-1	Operational sites owned, leased managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas	• Environment	Pages 87, 88, 89	Yes, please refer independence assurance statement on page 92
304-2	Significant impact of activities, products and services and biodiversity	• Environment	Pages 88, 89, 91	Yes, please refer independence assurance statement on page 92
304-3	Habitat protected or restored	• Environment	Pages 87, 88, 89, 91	Yes, please refer independence assurance statement on page 92
304-4	IUCN red list species and national conservation list species with habitats areas affected by operations	• Environment	Pages 88, 89, 90	Yes, please refer independence assurance statement on page 92
GRI 305: Emissions 2016				
Management Approach				

103-1	Explanation of the material topic and its boundaries	• Environment	Pages 78, 79, 86	Yes, please refer independence assurance statement on page 92
103-2	Management approach and its components	• Environment	Pages 78, 79	Yes, please refer independence assurance statement on page 92
103-3	Evaluation of the Management Approach	• Environment	Pages 78, 79	Yes, please refer independence assurance statement on page 92
Topic Specific				
305-1	Disclosure Direct (scope 1) GHG Emissions	• Environment	Page 86	Yes, please refer independence assurance statement on page 92
305-2	Energy Indirect (Scope 2) GHG Emissions	• Environment	Page 86	Yes, please refer independence assurance statement on page 92
305-3	Other Indirect (scope 3) GHG Emissions	• Environment	Page 86	Yes, please refer independence assurance statement on page 92
305-4	GHG Emission Intensity	• Environment	Page 86	Yes, please refer independence assurance statement on page 92
305-5	Reduction of GHG Emissions	• Environment	Page 86	Yes, please refer independence assurance statement on page 92
305-6	Emissions of Ozone-depleting Substances	• Environment	Page 86	Yes, please refer independence assurance statement on page 92
305-7	Nitrogen Oxides (NOx) Sulfur Oxide (SOx) and other significant air emission	• Environment	Page 87	Yes, please refer independence assurance statement on page 92
GRI 306: Effluents and Waste 2016				
Management Approach				
103-1	Explanation of the material topic and its boundaries	• Environment	Pages 78, 79, 84	Yes, please refer independence assurance statement on page 92
103-2	Management approach and its components	• Environment	Pages 78, 79	Yes, please refer independence assurance statement on page 92
103-2	Evaluation of the Management Approach	• Environment	Pages 78, 79	Yes, please refer independence assurance statement on page 92
Topic Specific				
306-1	Waste generation and significant waste-related impacts	• Environment	Page 84	Yes, please refer independence assurance statement on page 92
306-2	Management of significant waste-related impacts	• Environment	Page 84	Yes, please refer independence assurance statement on page 92

306-3	Waste Generated	• Environment	Page 85	Yes, please refer independence assurance statement on page 92
306-4	Waste Diverted from disposal	• Environment	Page 85	Yes, please refer independence assurance statement on page 92
306-5	Waste directed to disposal	• Environment	Pages 85, 86	Yes, please refer independence assurance statement on page 92
GRI 307: Environmental Compliance 2016				
Management Approach				
103-1	Explanation of the material topic and its boundaries	• Sustainability Strategy • Environment	Page 17 Page 78	Yes, please refer independence assurance statement on page 92
103-2	Management approach and its components	• Sustainability Strategy • Environment Page	Page 17 Page 78	Yes, please refer independence assurance statement on page 92
103-3	Evaluation of the Management Approach	• Sustainability Strategy • Environment Page	Page 17 Page 78	Yes, please refer independence assurance statement on page 92
Topic Specific				
307-1	Non- compliance with environmental laws and regulation	• Innovation and Industry Leadership • Environment	Page 33 Page 78	Yes, please refer independence assurance statement on page 92
GRI 308: Supplier Environment Assessment 2016				
Management Approach				
103-1	Explanation of the material topic and its boundaries	• Supplier	Page 70	Yes, please refer independence assurance statement on page 92
103-2	Management approach and its components	• Supplier	Page 70	Yes, please refer independence assurance statement on page 92
103-3	Evaluation of the Management Approach	• Supplier	Page 70	Yes, please refer independence assurance statement on page 92
Topic Specific				

308-1	New suppliers that were screened using environmental criteria	• Supplier	Page 67	Yes, please refer independence assurance statement on page 92
308-2	Negative environmental impacts in supply chain and actions taken	• Supplier	Page 71	Yes, please refer independence assurance statement on page 92
GRI 400 – Social Topic-specific Standards Material Topics Economic Performance				
GRI 401: Employment 2016				
Management Approach				
103-1	Explanation of the material topic and its boundaries	• Employees	Page 50	Yes, please refer independence assurance statement on page 92
103-2	Management approach and its components	• Employees	Page 50	Yes, please refer independence assurance statement on page 92
103-3	Evaluation of the Management Approach	• Employees	Page 50	Yes, please refer independence assurance statement on page 92
Topic Specific				
401-1	New employee hires and turnover	• Employees	Pages 55, 56, 57, 58	Yes, please refer independence assurance statement on page 92
401-2	Benefits provided to full time employees	• Employees	Page 52	Yes, please refer independence assurance statement on page 92
403: Occupational Health and Safety 2018				
Management Approach				
103-1	Explanation of the material topic and its boundaries	• Pioneering Safety in Construction	Page 44	Yes, please refer independence assurance statement on page 92
103-2	Management approach and its components	• Pioneering Safety in Construction	Page 44	Yes, please refer independence assurance statement on page 92
103-3	Evaluation of the Management Approach	• Pioneering Safety in Construction	Page 44	Yes, please refer independence assurance statement on page 92
403-1	Occupational Health and Safety Management System	• Pioneering Safety in Construction	Page 44	Yes, please refer independence assurance statement on page 92
403-2	Hazard identification, risk assessment, and incident investigation	• Pioneering Safety in Construction	Pages 45, 49	Yes, please refer independence assurance statement on page 92
403-3	Occupational health services	• Pioneering Safety in Construction	Page 45	Yes, please refer independence assurance statement on page 92

403-4	Worker participation, consultation, and communication on occupational health and safety	•	Pioneering Safety in Construction	Page 46	Yes, please refer independence assurance statement on page 92
403-5	Worker training on occupational health and safety promotion of worker health	•	Pioneering Safety in Construction	Page 47	Yes, please refer independence assurance statement on page 92
403-6	Promotion of worker health	•	Pioneering Safety in Construction	Page 48	Yes, please refer independence assurance statement on page 92
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	•	Pioneering Safety in Construction	Page 47	Yes, please refer independence assurance statement on page 92
Topic Specific					
403-8	Workers covered by an occupational health and safety management system	•	Pioneering Safety in Construction	Page 46	Yes, please refer independence assurance statement on page 92
403-9	Work-related injuries	•	Pioneering Safety in Construction	Page 48	Yes, please refer independence assurance statement on page 92
GRI 404: Training and Education 2016					
Management Approach					
103-1	Explanation of the material topic and its boundaries	•	Employees	Page 53	Yes, please refer independence assurance statement on page 92
103-2	Management approach and its components	•	Employees	Page 53	Yes, please refer independence assurance statement on page 92
103-3	Evaluation of the Management Approach	•	Employees	Page 53	Yes, please refer independence assurance statement on page 92
Topic Specific					
404-1	Average hours of training per year per employee	•	Employees	Page 54	Yes, please refer independence assurance statement on page 92
404-2	Programs for upgrading employee skills and transition assistance programs	•	Employees	Page 54	Yes, please refer independence assurance statement on page 92
404-3	Percentage of employees receiving regular performance and career development reviews	•	Employees	Pages 52, 53	Yes, please refer independence assurance statement on page 92

GRI 405: Diversity and Equal Opportunity 2016					
Management Approach					
103-1	Explanation of the material topic and its boundaries	• Employees	Page 55		Yes, please refer independence assurance statement on page 92
103-2	Management approach and its components	• Employees	Page 55		Yes, please refer independence assurance statement on page 92
103-3	Evaluation of the Management Approach	• Employees	Page 55		Yes, please refer independence assurance statement on page 92
Topic Specific					
405-1	Diversity of governance bodies and employees	• Employees	Page 58, 59	Third-party-contractor workers numbers (age-wise) is not reported please refer note on page 59	Yes, please refer independence assurance statement on page 92
GRI 406: Non-Discrimination 2016					
Management Approach					
103-1	Explanation of the material topic and its boundaries	• Employees	Page 51		Yes, please refer independence assurance statement on page 92
103-2	Management approach and its components	• Employees	Page 51		Yes, please refer independence assurance statement on page 92
103-3	Evaluation of the Management Approach	• Employees	Page 51		Yes, please refer independence assurance statement on page 92
Topic Specific					
406-1	Incidents of discrimination and corrective actions taken	• Employees	Pages 51, 60		Yes, please refer independence assurance statement on page 92
GRI 407: Freedom of Association and Collective Bargaining 2016					
Management Approach					
103-1	Explanation of the material topic and its boundaries	• Employees	Page 60		Yes, please refer independence assurance statement on page 92
103-2	Management approach and its components	• Employees	Page 60		Yes, please refer independence assurance statement on page 92
103-3	Evaluation of the Management Approach	• Employees	Page 60		Yes, please refer independence assurance statement on page 92
Topic Specific					
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining maybe at risk	• Employees	Page 60		Yes, please refer independence assurance statement on page 92

GRI 408: Child Labour 2016				
Management Approach				
103-1	Explanation of the material topic and its boundaries	• Employees	Page 51	Yes, please refer independence assurance statement on page 92
103-2	Management approach and its components	• Employees	Page 51	Yes, please refer independence assurance statement on page 92
103-3	Evaluation of the Management Approach	• Employees	Page 51	Yes, please refer independence assurance statement on page 92
Topic Specific				
408 -1	Operations and suppliers at significant risk for incidents of Child labor	• Employees	Page 51	Yes, please refer independence assurance statement on page 92
GRI 409: Forced and Compulsory Labour 2016				
Management Approach				
103-1	Explanation of the material topic and its boundaries	• Employees	Page 51	Yes, please refer independence assurance statement on page 92
102-2	Management approach and its components	• Employees	Page 51	Yes, please refer independence assurance statement on page 92
103-3	Evaluation of the Management Approach	• Employees	Page 51	Yes, please refer independence assurance statement on page 92
Topic Specific				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	• Employees	Page 51	Yes, please refer independence assurance statement on page 92
GRI 413: Local Communities 2016				
Management Approach				
103-1	Explanation of the material topic and its boundaries	• Local Communities	Page 72	Yes, please refer independence assurance statement on page 92
103-2	Management approach and its components	• Local Communities	Page 72	Yes, please refer independence assurance statement on page 92
103-3	Evaluation of the Management Approach	• Local Communities	Page 72	Yes, please refer independence assurance statement on page 92
Topic Specific				
413-1	Operations with local community engagement, impact assessment and development program	• Local Communities	Pages 72, 73, 74, 75, 76	Yes, please refer independence assurance statement on page 92
413-2	Operations with significant actual and potential negative impacts on local communities	• Environment	Page 86	Yes, please refer independence assurance statement on page 92

GRI 414: Supplier Social Assessment 2016				
Management Approach				
103-1	Explanation of the material topic and its boundaries	• Supplier	Page 71	Yes, please refer independence assurance statement on page 92
103-2	Management approach and its components	• Supplier	Page 71	Yes, please refer independence assurance statement on page 92
103-3	Evaluation of the Management Approach	• Supplier	Page 71	Yes, please refer independence assurance statement on page 92
Topic Specific				
414-1	New suppliers that were screened using social criteria	• Supplier	Page 67, 69	Yes, please refer independence assurance statement on page 92
414-2	Negative social impacts in the supply chain and actions taken	• Supplier	Page 71	Yes, please refer independence assurance statement on page 92
GRI 416: Customer Health and Safety 2016				
Management Approach				
103-1	Explanation of the material topic and its boundaries	• Pioneering Safety in Construction • Customers	Page 49 Page 64	Yes, please refer independence assurance statement on page 92
103-2	Management approach and its components	• Pioneering Safety in Construction • Customers	Page 49 Page 64	Yes, please refer independence assurance statement on page 92
103-3	Evaluation of the Management Approach	• Pioneering Safety in Construction	Page 49	Yes, please refer independence assurance statement on page 92
Topic Specific				
416-1	Assessment to the health and safety impacts of product and service categories	• Pioneering Safety in Construction • Customers	Page 49 Page 64	Yes, please refer independence assurance statement on page 92
GRI 417: Marketing and Labelling 2016				
Management Approach				
103-1	Explanation of the material topic and its boundaries	• Customers	Page 64	Yes, please refer independence assurance statement on page 92
103-2	Management approach and its components	• Customers	Page 64	Yes, please refer independence assurance statement on page 92
103-3	Evaluation of the Management Approach	• Customers	Page 64	Yes, please refer independence assurance statement on page 92
Topic Specific				

417-1	Requirements for the product and service information labelling	• Customers	Page 64	Yes, please refer independence assurance statement on page 92
417-2	Incidents of non-compliance concerning product and service information and labelling	• Innovation & Industry Leadership	Page 33	Yes, please refer independence assurance statement on page 92
417-3	Incidents of non-compliance concerning marketing communications	• Customers	Page 64	Yes, please refer independence assurance statement on page 92
GRI 419: Socio Economic Compliance 2016				
Management Approach				
103-1	Explanation of the material topic and its boundaries	• Sustainability Strategy	Page 17	Yes, please refer independence assurance statement on page 92
103-2	Management approach and its components	• Sustainability Strategy	Page 17	Yes, please refer independence assurance statement on page 92
103-3	Evaluation of the Management Approach	• Sustainability Strategy	Page 17	Yes, please refer independence assurance statement on page 92
Topic Specific				
419 - 1	Non - compliance with laws and regulations in the social and economic area	• Innovation & Industry Leadership • Environment	Pages 32, 33 Page 78	Yes, please refer independence assurance statement on page 92

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